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## **French supermarkets make their TV debut as advertising rule is scrapped**

Brussels decides ban is unlawful. Small shops fear catastrophic impact

by Adam Sage in Paris

A cheap box of washing powder signalled a watershed in French media history last night when it featured in France's first television advertising campaign for a supermarket chain.

Banned from advertising on television under a law passed in 1968 to protect the regional press, French chain stores have been freed from the shackles of a dirigiste state by Brussels. The European Commission has ruled the ban unlawful and "la grande distribution" is preparing for what Gallic executives see as a leap into the 21st century.

"This is a great opportunity," Serge Papin, chairman of the Système U chain, said. "We have everything to gain from it."

The Union of Small Shopkeepers described the liberalisation as "totally unacceptable", saying it would reinforce the stranglehold of big business and have a catastrophic impact on France's network of small shops. "Independent shops see this as yet another competitive handicap for small businesses," the French Senate said in a report.

The ground-breaking advertising campaign for washing powder, booked by Système U, was expected on the private TF1 and M6 channels in the first advertising break after the chimes of midnight to mark the new year. Other supermarket chains, including Les Mousquetaires, Leclerc and Auchan, have reserved slots for a total of more than 60 television advertisements this month.

TF1, which charges between €80,000 (£54,000) and €120,000 for a 30-second prime-time slot, is expected to be the biggest beneficiary of the reform. The channel, owned by the Bouygues construction group, already controls 54 per cent of the television advertising market in France and is expecting an extra €100 million of revenue from chain stores.

The losers in this liberalisation will include outdoor advertisers, which are expected to see revenue drop by €37 million next year, radio stations, with an expected €33 million shortfall and the press, with €50 million less.

Regional newspapers, which get €700 million a year from supermarkets, fought a ten-year rearguard campaign against the ending of legislation introduced specifically to help them. The campaign was partially successful because supermarkets will be prevented from advertising promotional offers on television under the new rules. Such advertisements will continue to go largely to regional dailies.