

The role of new business models and support to innovation in creating new opportunities and new challenges

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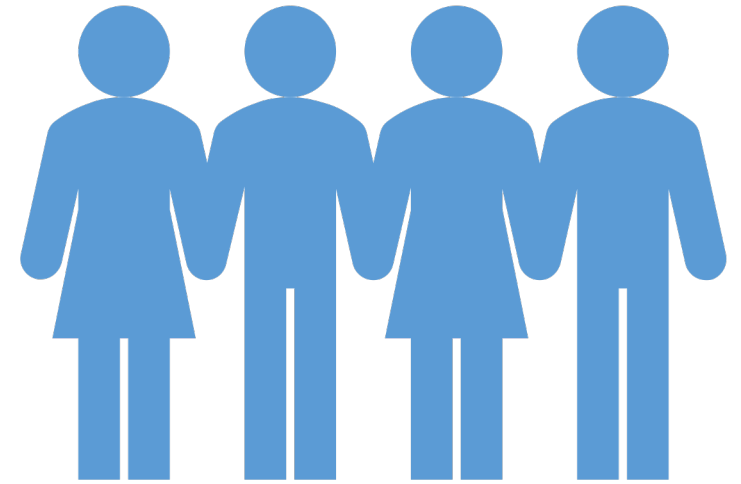
23^o May 2019
NEM Summit 2019

Analysis of the media and CCI sector in the last years

- From 2015 to 2018 the i3 project has fostered the understanding of the media and CCI sector with the aim to inform policy makers at European level
- Digital transformation and the advent of the platforms are creating both a lot of challenges and opportunities for the media sector
- Media stakeholders need support from European institutions

The questions are:

- i) how to support the sector;
- ii) what matters most to the media sector?



To find
answers to
the questions



Stakeholder analysis



Literature review



Surveys and interviews (NEM, theARTs+,etc)



Data collection



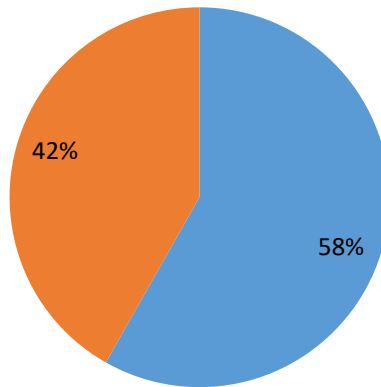
Data analysis

Fostering stakeholder participation

More than 300 stakeholders engaged in focus groups and surveys

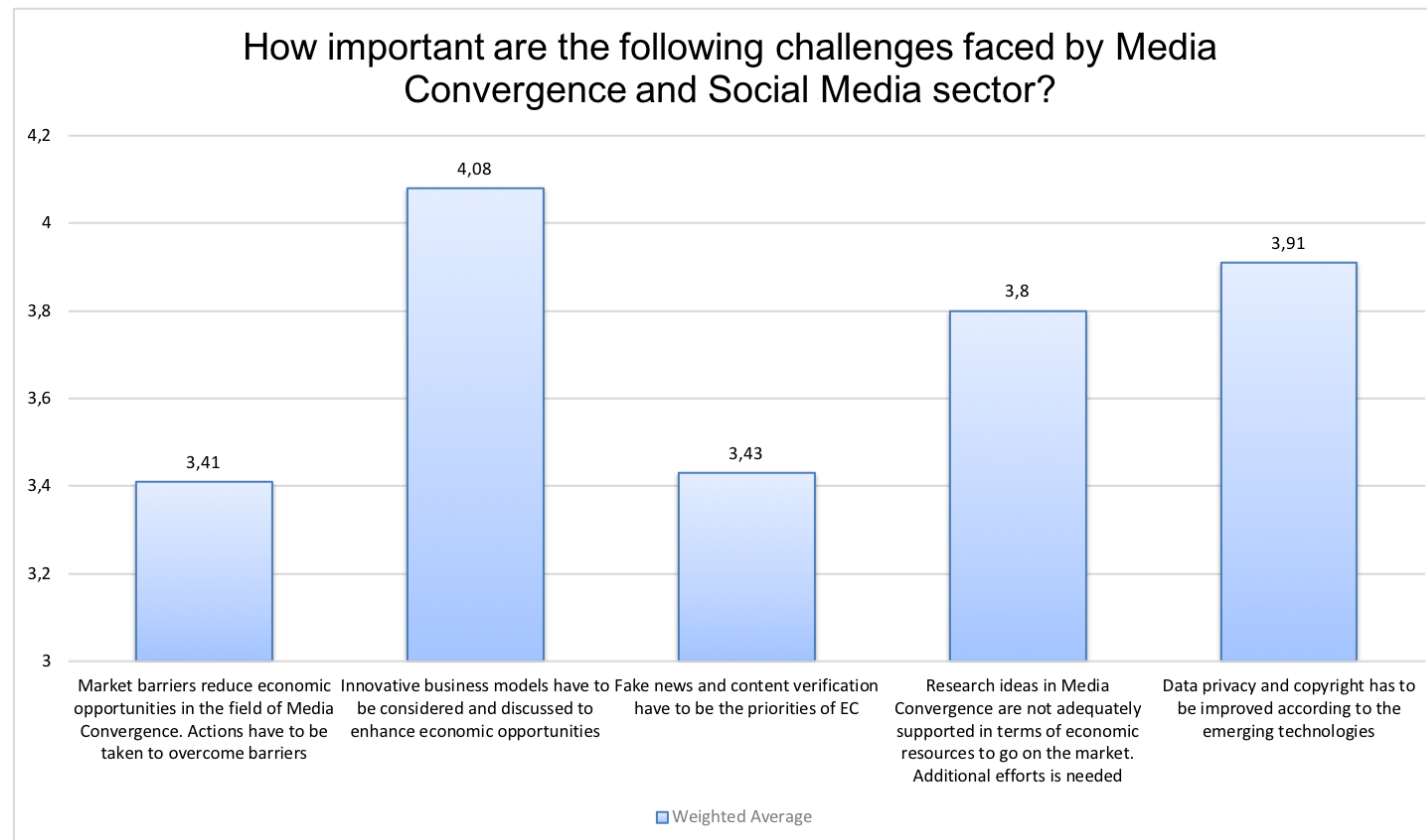
Stakeholders engaged

■ I3 Multistakeholder Forums ■ I3 surveys

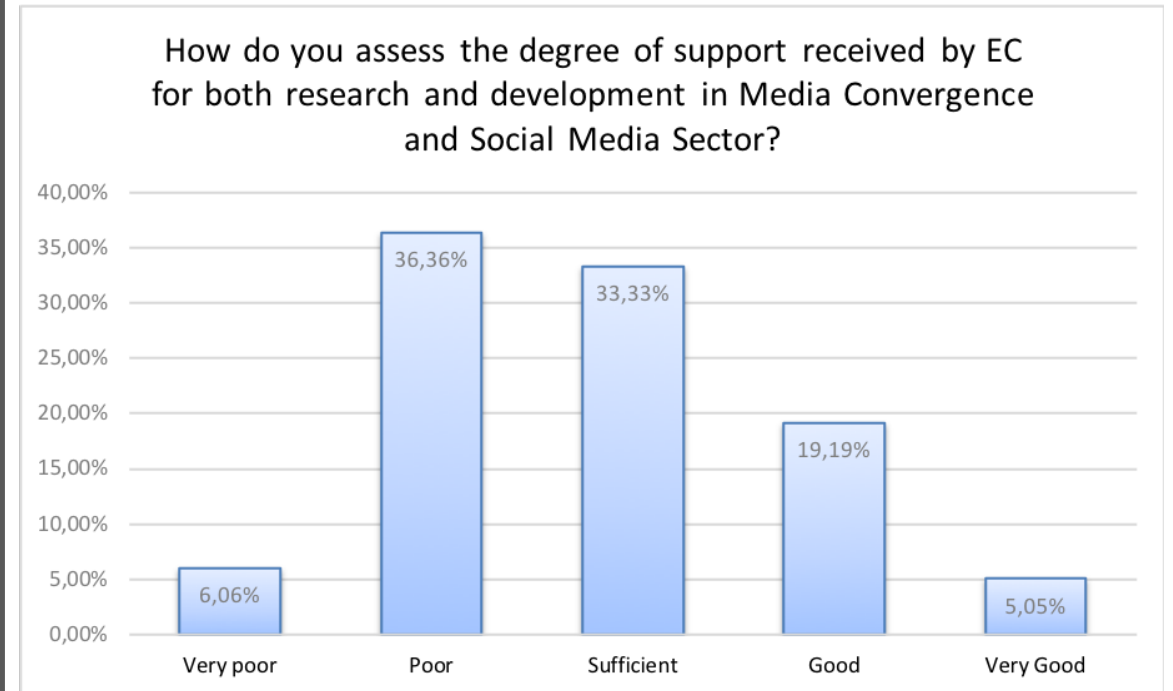
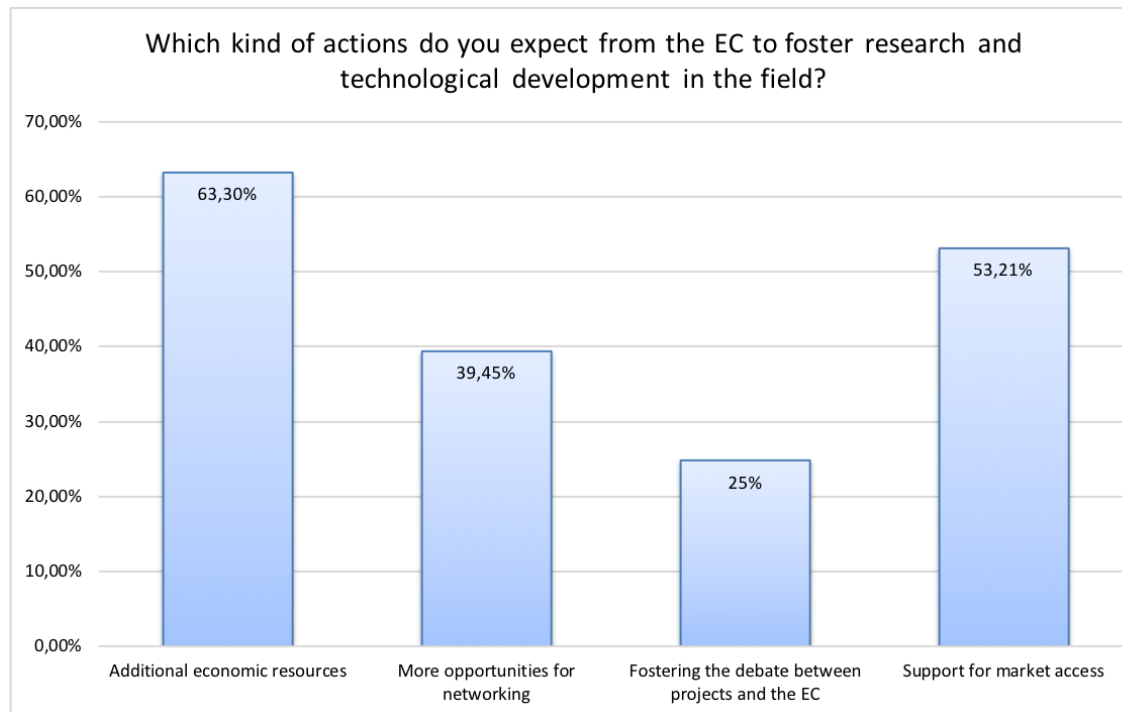


Stakeholders to engage		Stakeholders engaged
European institutions		
	European Commission	9 representatives of the European Commission coming from different DGs
	European Parliament	4 representatives of the European Parliament
National authorities		
	National competent authorities	At least 1 government representative in charge of trade promotion
	Public broadcaster	Representatives of European Broadcasting Union
Media interest groups		
	E.g. NEM	Representatives from: <ul style="list-style-type: none"> NEM European Music Council THEARTS+ and the Frankfurt book fair Federation of European Publishers International Union of Cinema Association of European Radio European Coordinator of Independent Producers
Media companies		
	Companies and SMEs	More than 60 media company or SME
	Start-ups Associations Journalists Private broadcaster	More than 20 startups Private broadcasters as: Mediaset and VRT 1 Journalist from RAI
Academia and research		
	Academics or experts	At least 20 researchers, among the others from: <ul style="list-style-type: none"> Vrije Universiteit Brussels University of Barcelona iMEC Luiss Guido Carli
Other entities		
	European projects financed under the call ICT-19-2015	All ICT-19-2015 and 2017 projects
	European projects (not related to ICT-19)	At least 4 European projects
	NGOs	At least 1 NGO
	Students	At least 10 students

The 13 findings in relation to media challenges



The 13 findings: what stakeholders expect from EC



13 findings at a glance


Two major issues

The role of new business models and its development

How to foster support to research and innovation

The role of new business model: challenges and opportunities

- Until some years ago the media business used to be quite simple, based on a linear model: content, distribution and audience.
- User generated contents are reshaping the world of media and pushing media companies to rethink traditional business models. Huge players such as Google, Facebook and Netflix conquering markets at a global level is making things more difficult for traditional and smaller economic actors.
- Results from the literature review suggest that the most used new business models for the media sector currently are: digital advertising and Over-The-Top (OTT):
 1. Mc Kinsey says that *“digital advertising will account for 45.3 percent of total global advertising by 2020, up from 32.8 percent in 2015”*.
 2. Global Media Sector Trends 2018 confirms that *“Over-The-Top content is growing inexorably and is increasingly determining viewing habits”*. The report stated that monetizing content through OTT is a major growth area for the media business.



The role of new business model: challenges and opportunities /2

23/05/19

It is clear that new business models create new opportunities but also issues

Adoption of business models should also be done in a fair and sustainable way, avoiding the misuse of technology and protecting the quality of contents produced

To survive, media companies urgently need to update their business strategies to compete with the global players. But to do that they need time and money

How to foster support to research and innovation

Looking at the projection made by PWC 2017, what emerges is that *“based on the traditional revenue streams that have powered growth to date, Entertainment and Media sector is losing market share in the global economy”*.

In order to foster the sector helping European players to not lose market position, it is crucial to develop instruments and tools to support research and innovation in the Media sector.

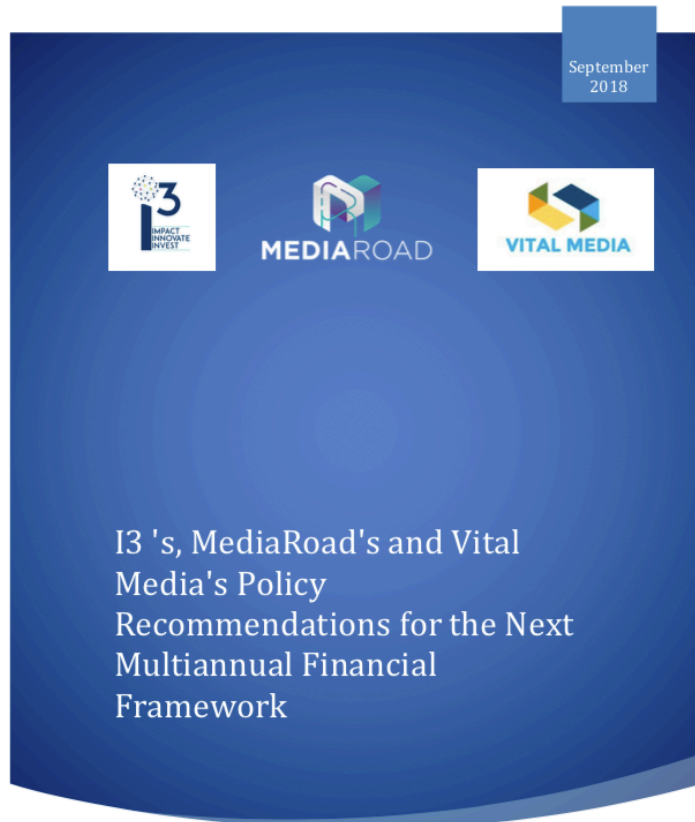


BETTER POLICIES



INCREASING IN
FUNDING MECHANISMS

Policy Recommendations for the Next Multi Financial Framework



Simona De Rosa, Andrea Nicolai, Eleonora Maria Mazzoli, Luciano Morganti, Heritiana Renaud Ranaivoson, Maria Silvia Boi, Giusi Caruso



These projects have received funding from the European Union's Horizon 2020 research and innovation programme. I3 under grant agreement No 68854, MediaRoad under grant agreement No 761412, Vital Media under grant agreement 688310.

1) More prominent presence of media sectors in Horizon Europe and stronger synergies between relevant programmes.

What the CSAs strongly recommend, then, is (i) a gateway between Horizon Europe, Digital Europe and Creative Europe and (ii) a more prominent focus on media innovation sectors, with explicit reference to this in the Regulation establishing Horizon Europe, especially in the second and third Pillars.

2) Support for European cooperation to ensure the competitiveness and development of the European media sectors.

The CSAs call for dedicated support to European media players to overcome market fragmentation, boost their competitiveness and capacity of collaborating at international level, to level the playing field, and to encourage the adoption of innovative or alternative business models by the industry.

3) Dedicated investments in the latest technological advances to bridge innovation and creativity in Europe.

To benefit from this and to capitalize on the innovative potential of the sector, CSAs propose introducing policies and actions that clearly address the media sector. In particular, CSAs are requesting ad hoc initiatives to support infrastructures all along the value chain that are dedicated to media, with regard to the above-mentioned technologies.

http://i3project.eu/wp-content/uploads/2018/09/CSAs-whitepaper_FINAL_V3-1.pdf



National support to CCI

- In parallel to the funds available from the EC, more economic support should be dedicated to media companies from National governments
- As stressed by Mazzucato (2014) the role of the State is key and it has been crucial for innovative solutions and technology development all over the world
- in France in 2018 a \$13 billion investment fund to finance disruptive technology innovations has been launched to sustain innovation and startups

Italian Manifesto for CCI

- Italy has recently released a measure dedicate to innovation that foreseen 1 billion for startup and innovative SMEs
- According to Italia Creativa, in 2015 in Italy CCI has registered a total economic value of 49.7 billion euros, namely 3% of the GDP, employing
- We want to ask for an indicative amount of 1% to be dedicated entirely to cultural innovation
- We are working in developing a Manifesto and then reach at least 50 major signatures in Italy in the CCI to support the request



THEARTS+

The logo for T6 ECOSYSTEMS features a dark red, organic, blob-like shape with a smaller circle to its left. The text "T6 ECOSYSTEMS" is written in white, uppercase, sans-serif font across the center of the larger blob.

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Thank you for
the attention
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