



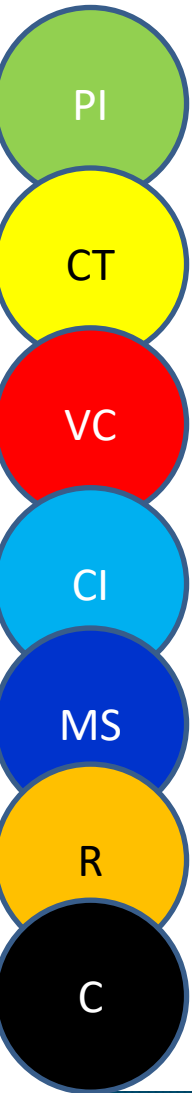
What is the Future for Media in the Post Information Age?

Dr. Edward Smith – British Telecom
Dr. Mauro Ugolini – Roma Tre University

Salford, Friday 7th September 2018



The Challenge Ahead



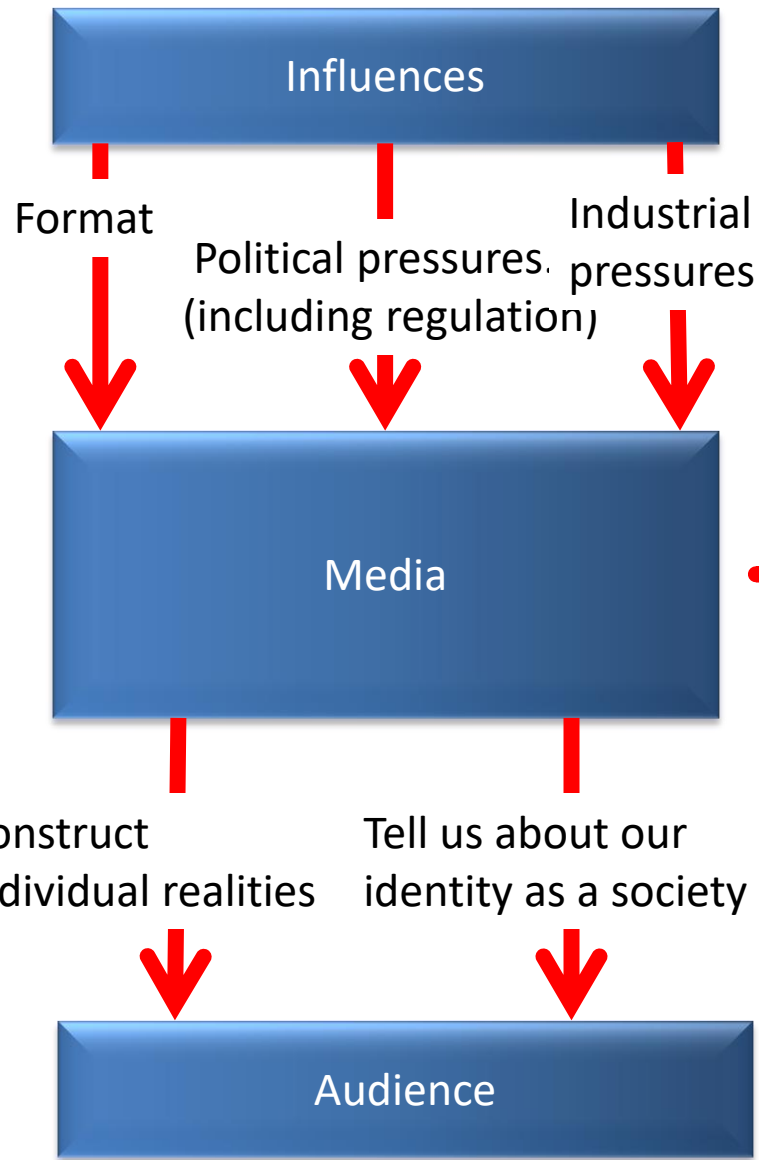
- What is the Post Information Age and the innovation it yields. We will give our perspective on what is required
- What are the candidate technologies, which are going to foster the future of the media industry?
- What will be the impact of these developments on the value chain?
- How can the impact of change and options that it generates be modelled?
- How will these developments impact market shape?
- The challenges and impact of regulation
- Conclusions



The Future for Media in The Post information Age

A DRIVER FOR MEDIA INNOVATION

Characteristics of the Media



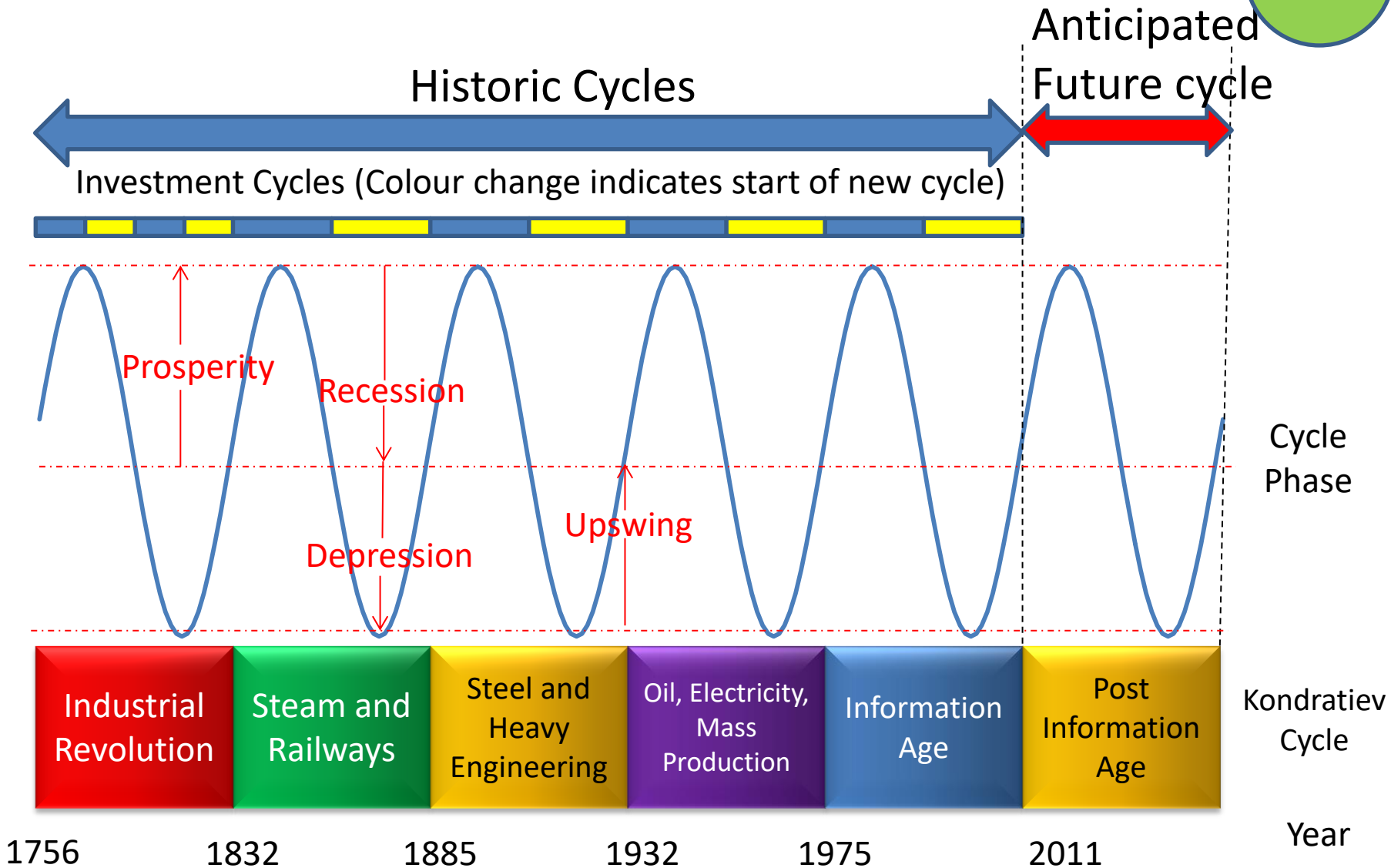
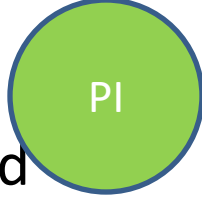
Agency of social control
Affects ideas about social groups
Has relationship with the process of change in society
Media technology relates to the ways in which society develops
Many media companies are asset and infrastructure light

Media research nationally based

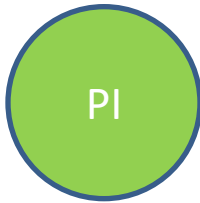
Needs intersect and overlap, this is a source of strength. Consumers may be part of multiple communities

Media cultures may be shaped by economic need

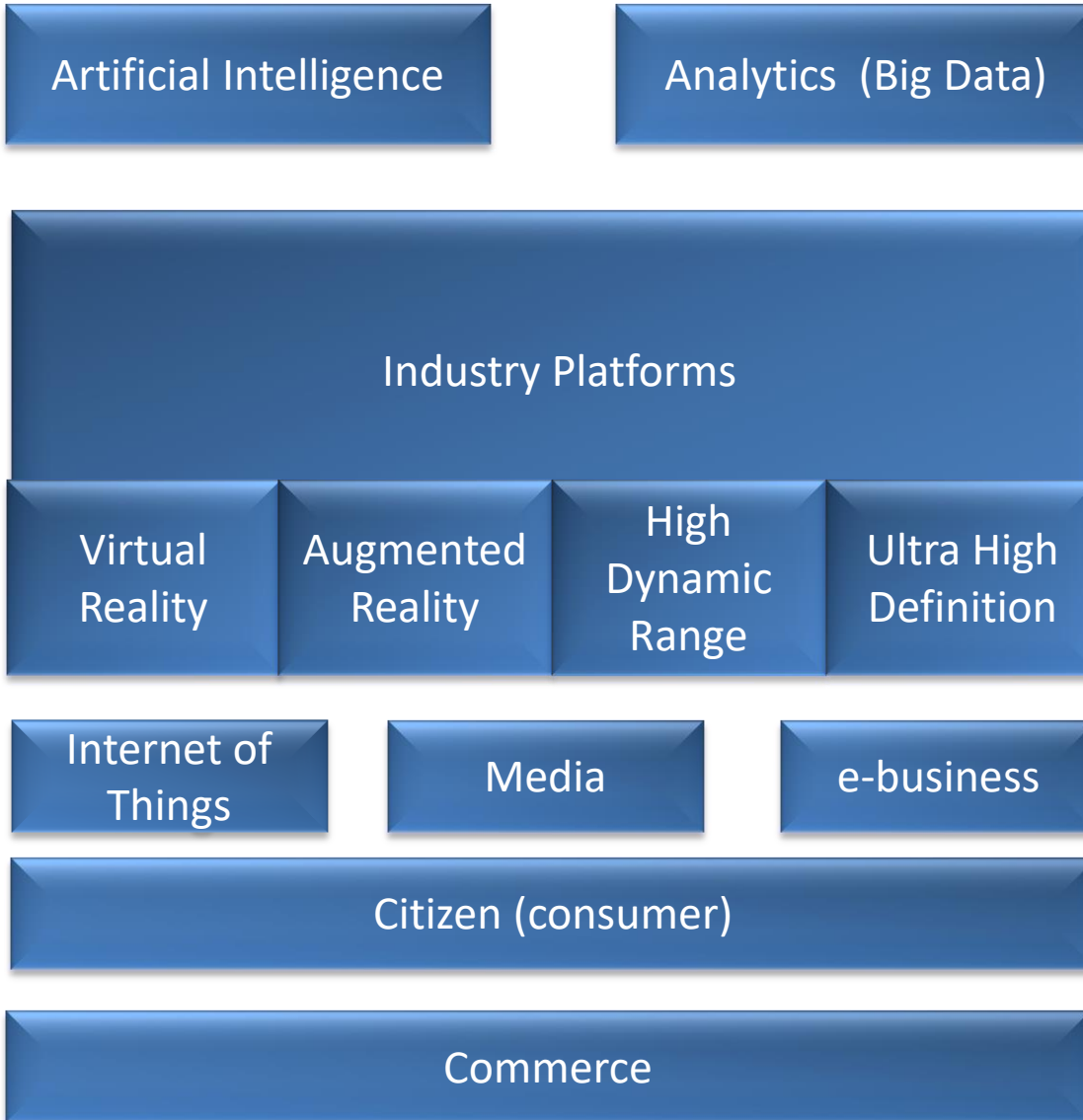
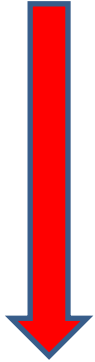
Innovation Waves



Media in the Post Information Age



Technology Push



Advertisers' Nirvana:
a target *market segment of one*

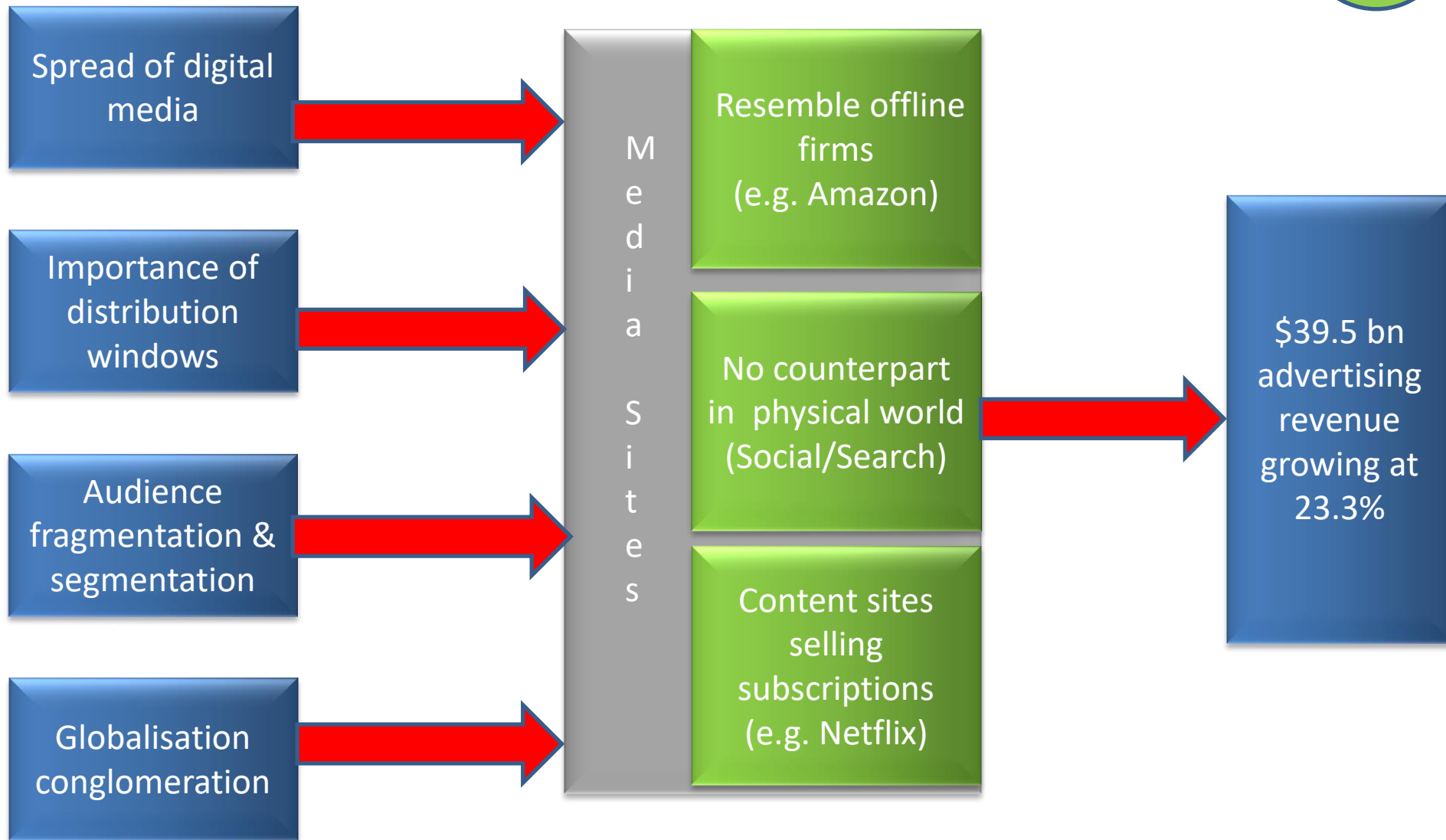


Commercial Pull



Internet Accelerates Convergence

PI

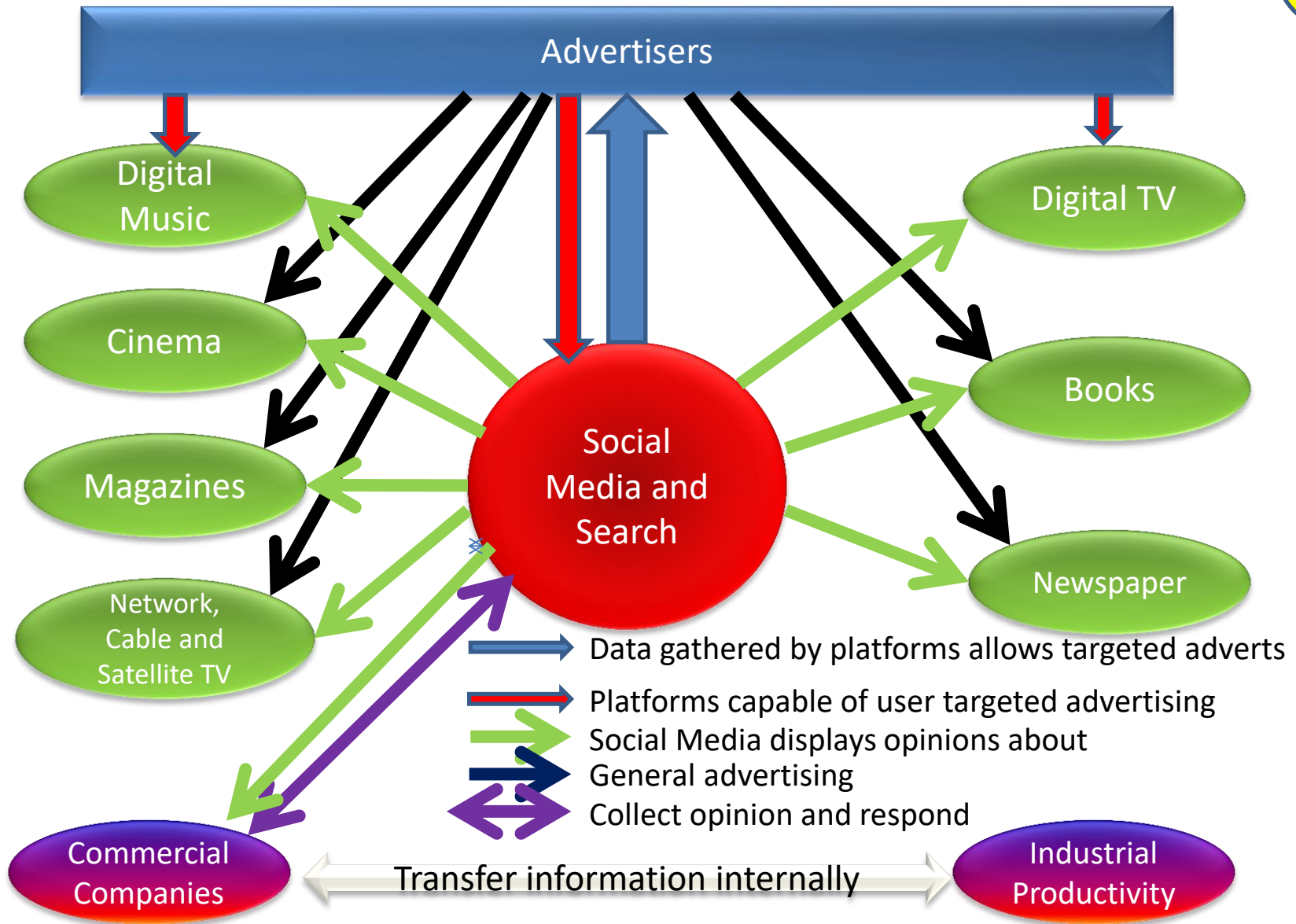




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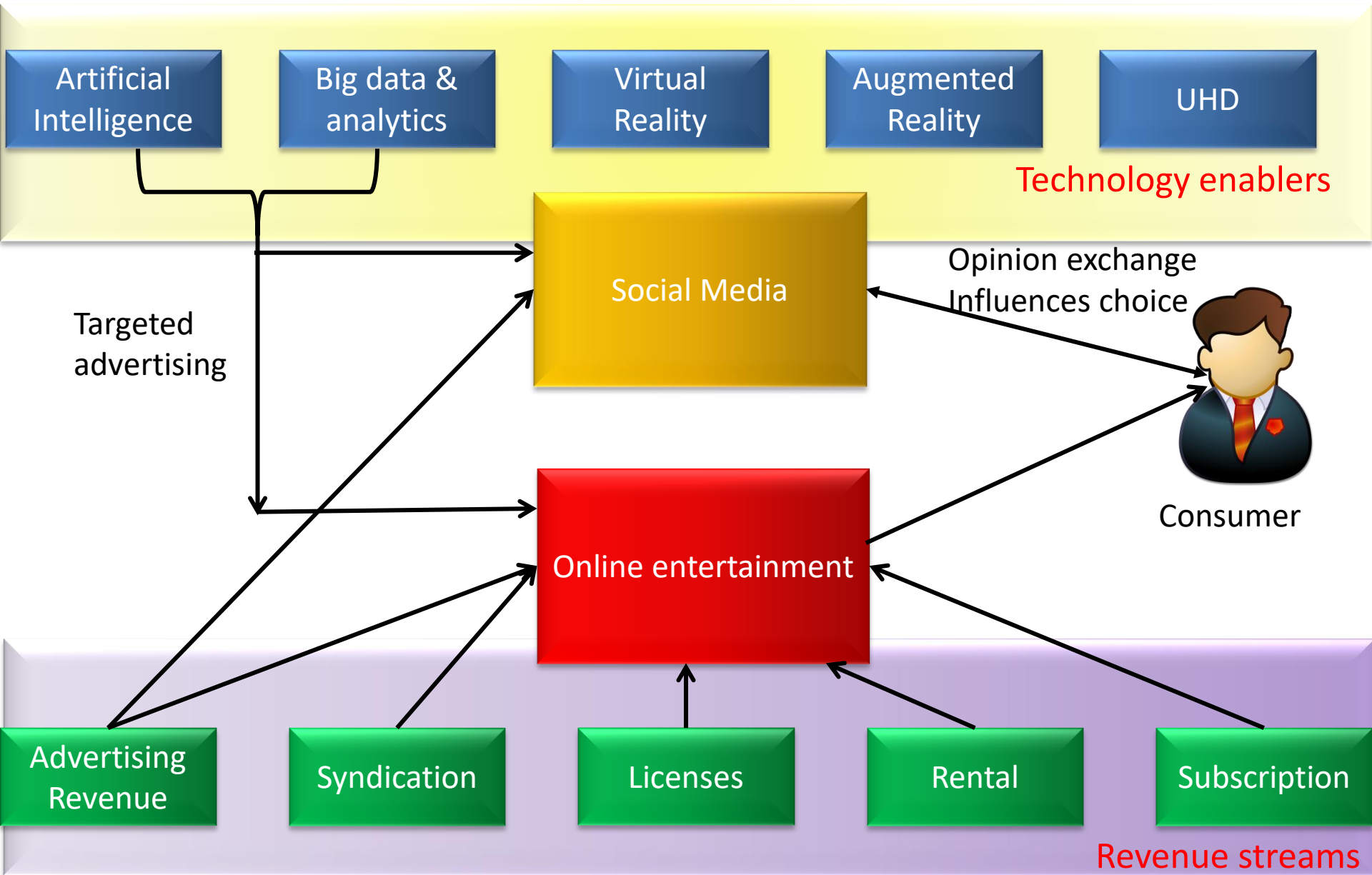
TECHNOLOGIES FOR AN INNOVATED MEDIA

Social Media



Innovation and Revenue

CT

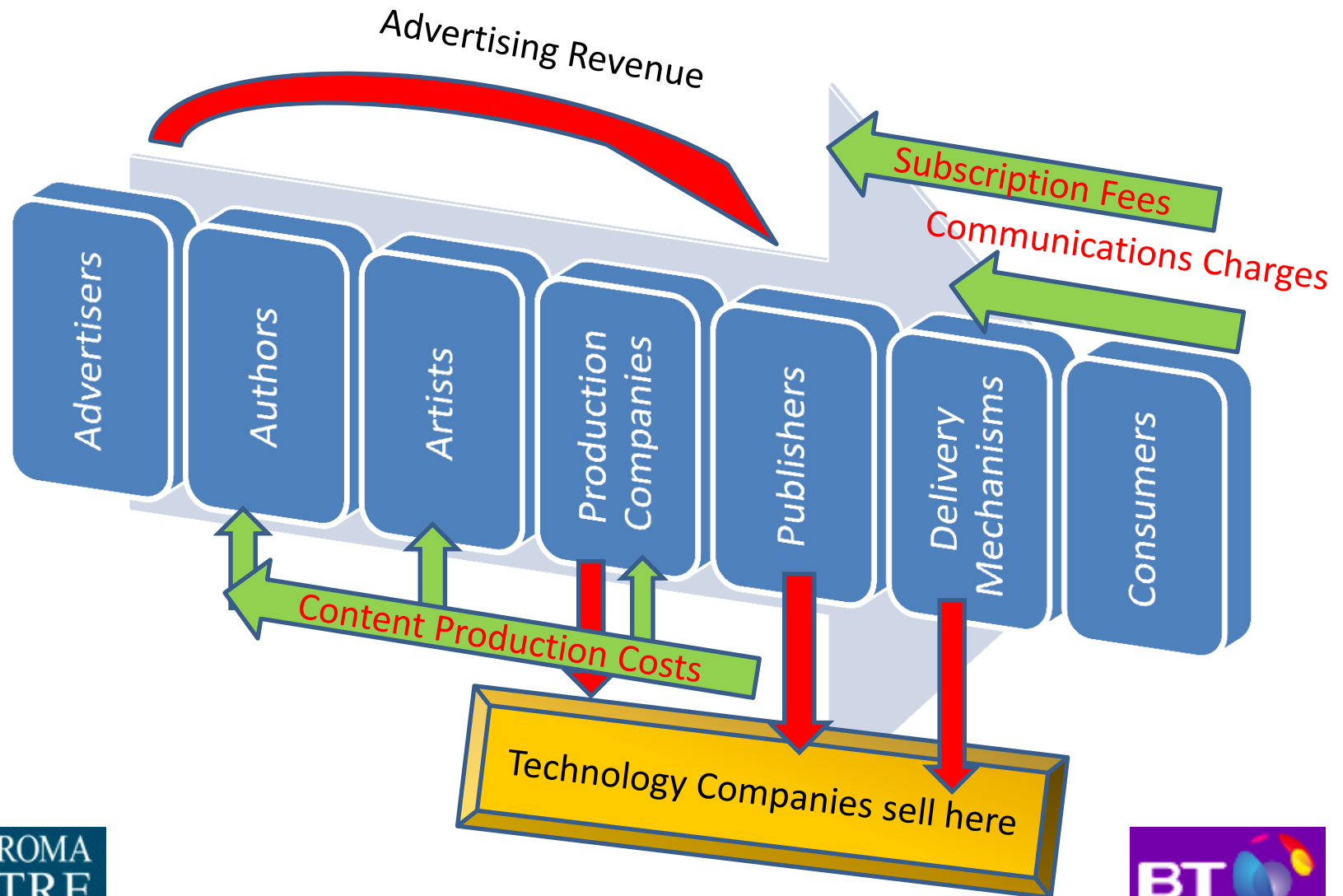




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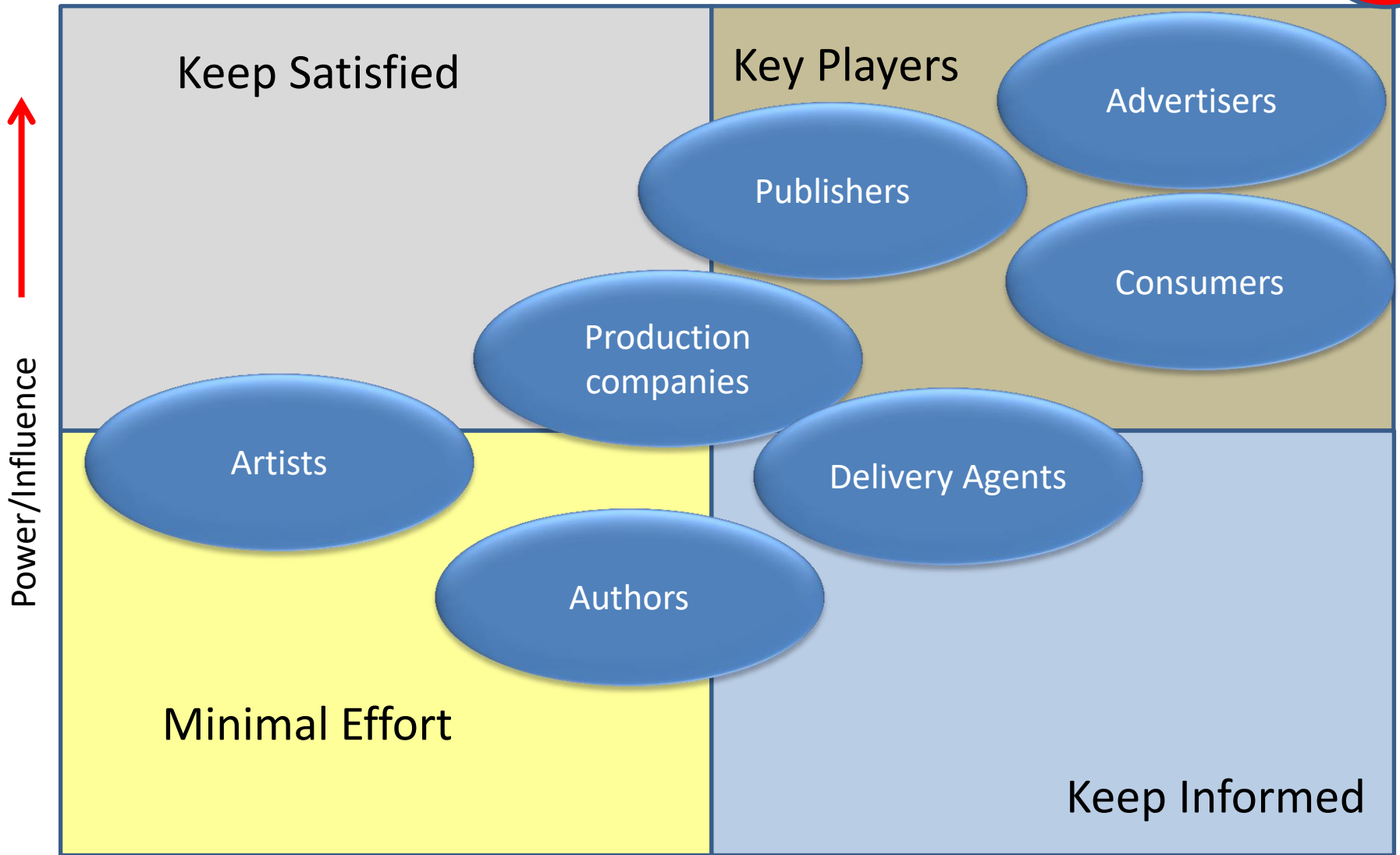
IMPACTS ON MEDIA VALUE CHAIN

Value Chain – Who Makes Money



Media Industry Stakeholder Map

VC

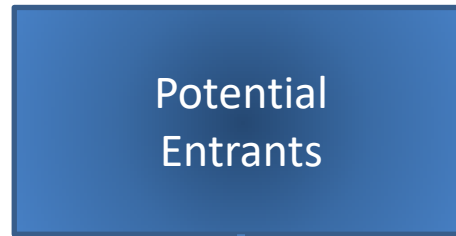


Competitive Landscape for Media Companies after Porter

VC

Threat of New Entrants:

- New Companies – cable, satellite
- Diversifying digital monopolies and telco's



Bargaining Power of Buyers:

- Impact output dilution
- More commercial models
- Targeted advertising

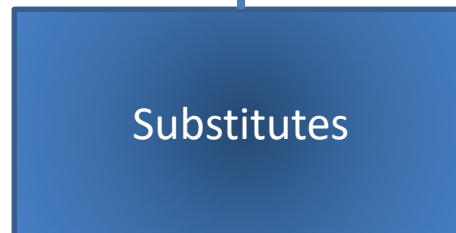


Bargaining power of suppliers:

- Suppliers have greater choice and power
- Commercial tactics of digital monopolies

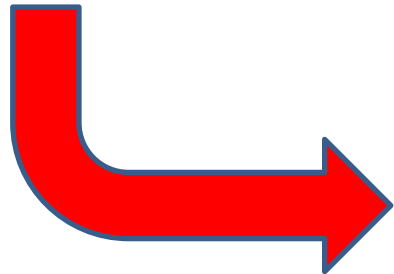
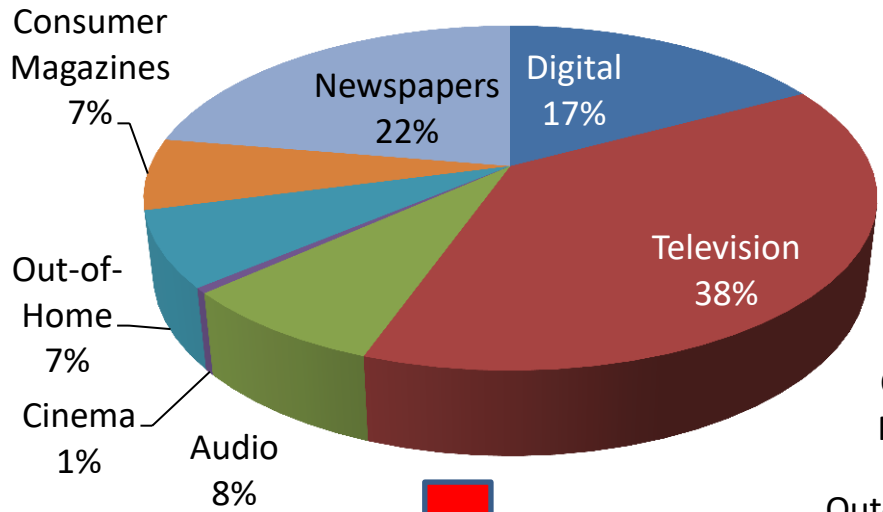
Threat of substitute products or services:

- Social media alternatives
- Amateur content
- Mobile viewing
- Diluted advertising revenue

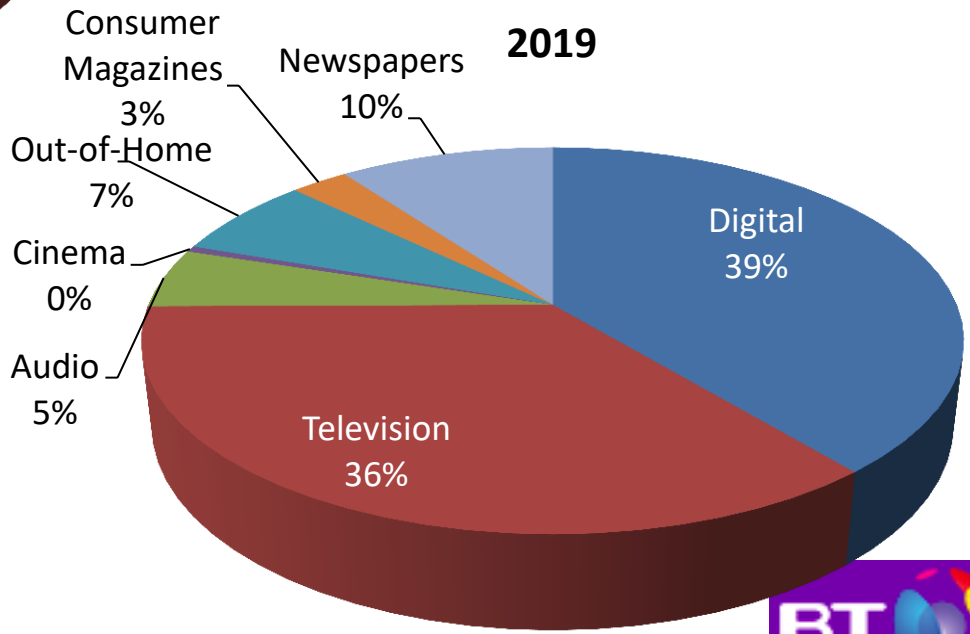


Changing Advertising Shares

2009



2019



Money Flows

Revenue Source

- Some content is paid for directly however advertising plays a huge role

Revenue movement

- Facebook had “sucked up \$27m“of the Guardian’s projected digital advertising revenue

Premium

- Google and Facebook’s advertising premium appears to be 20% higher than market price

Content

- Professional authors face competition from user generated content

Creator Revenue

- Decline in revenue paid to content creators is not because people listen to less music and go to fewer films, surveys indicate the opposite

Investment

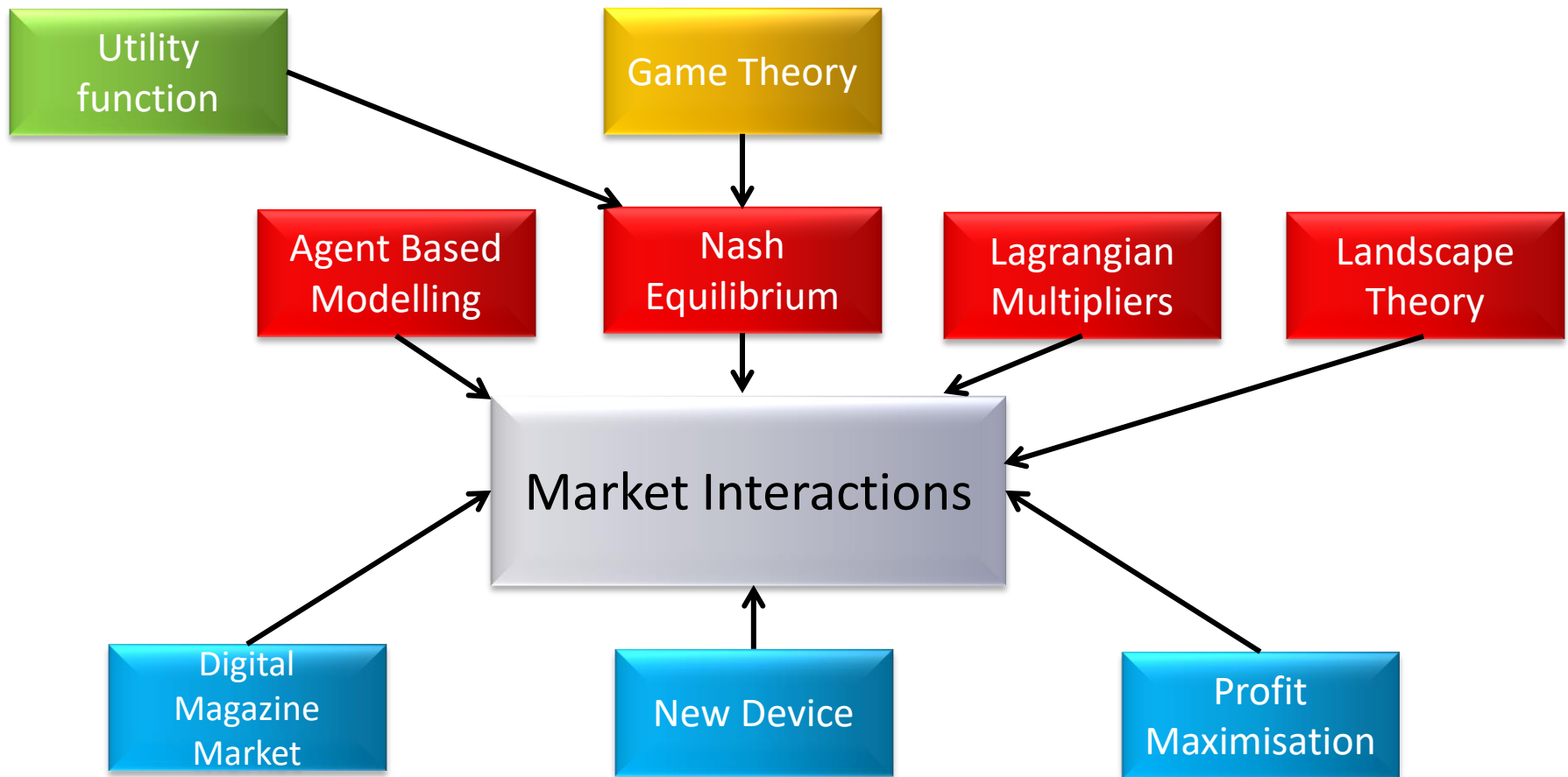
- Broadcasters re-invested some profits in content creation. Google, YouTube and Facebook don’t do this



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MODELLING CHANGES

Modelling





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IMPACTS ON MARKET STRUCTURE

Trends

Viewing

- Time-shifting, personalisation and viewing devices. The end of TV viewing as a communal activity? What drives choice?

Video

- Netflix & YouTube are 50% of all internet traffic
- 100bn Internet devices by 2025. 80% traffic is video
- Facebook are investing heavily in Video

Social Media

- The 2014 Superbowl had 162.9 m TV viewers and generated 24.9 m tweets

Simultaneous access

- 66% of Americans surf the net on their smartphone when watching TV. The smartphone may be 38% of our daily media interactions

Market consolidation

- AT&T/Time Warner and Sky/Fox/Disney

USA

- Broadcast TV declines as on demand grows
- Mobile video revenue growing fast



Partnership Examples

Airbnb are partnering with Craigslist, using their API to plug rental listings into Craigslist

The Weather Company's open API enables brands to leverage local weather conditions

Marriott's Mood Reader built on the Spotify's base of over 20 million songs and Spotify's tools that help brands build consumer experiences

Social networks become an advertising and promotional platform for TV programming. Comcast have adopted Twitter as their strategic partner in this respect

Netflix, Amazon and Apple TV provide revenue to traditional players through syndicated retransmissions

NBC also built a branded channel on YouTube, which is advertising based

Netflix pays Comcast to ensure its video content streams are transmitted more quickly and in return Netflix has direct access to Comcast's broadband network



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MEDIA AND REGULATION

Ethical Considerations



To what extent do journalistic standards apply



A great deal of focus on journalistic quality



Use of market power



Publishing hate speech



Balanced view and avoidance of stereotyping



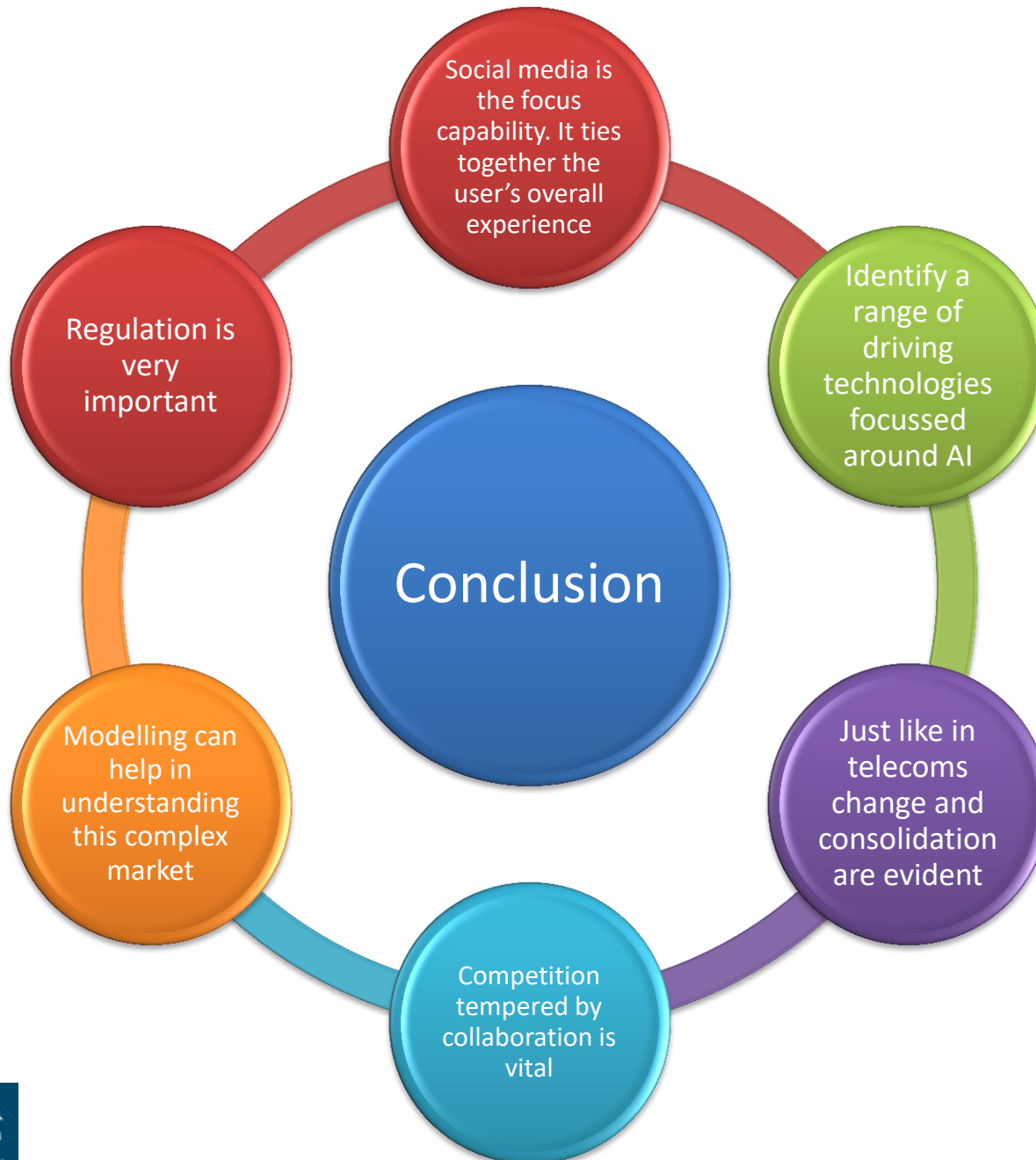
Use of advertising to establish social norms



Reliable portrayal of subjects



Handling sensitive issues in drama



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Thank You.