

Convergence regulation: some perspectives from a content provider

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Telecoms regulation: Competitive distribution

Traditional outlets


- Cinema
- DVD retail
- DVD rental
- FTA TV
- Pay-TV

New media

- Mobile
- Broadband

- Competition key to broadband adoption
 - SPC Network calculates that 1% decrease in market concentration leads to a 3% increase in broadband adoption

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Telecoms regulation: Promoting innovation


- Must offer something genuinely novel ... exploiting a network's "comparative advantage"
- Aim should be to expand the market, and this also means cooperation on fight against piracy
- Competition among service providers is surely vital to drive innovation?

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Regulation to encourage investment

- Making films
 - Upfront, sunk production costs
 - Substantial part of marketing budget also committed before release
- Regulators & industry need to address piracy




Investment: Content-SP negotiations

- Exclusivity was sought by pay-TV as part of larger upfront investment to create platform
- Broadband is different
 - Not the same level of investment
 - Government commitment to broadband competition




Convergence of media, but not in players' roles



- There is a battle for eye balls and ad revenues, but
- New media has no equivalent to a broadcaster - many would love that role!!
 - Instead consumers are fully in control
- Even the notion of content provider is under evolution, with users playing a growing role




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HBO



New Line Cinema

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Conclusions

- ❑ Competitive distribution market is key to innovation and adoption – telecoms regulation must reflect convergence “big picture”
- ❑ A common approach to addressing piracy is critical to promote investment
- ❑ Much of the rationale for content regulation is eroding