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“Legacy” media.

• High returns to scope and scale – high “first copy”, low “second and subsequent copy” costs - > barriers to entry, concentration.
• Markets segmented by language (and culture) - > advantages for large language communities.
• Presumption of significant externalities (positive and negative) - > public policy and regulation.
• Territorial “embeddedness”.
• Clear distinction between “public” and “private” communication.
Technological change -> lower distribution and production costs.

• Innovation in wired (eg fibre-optics) and wireless (eg satellites) networks -> increased capacity, lower prices, greater connectivity.

• Lower storage and processing costs -> new media (eg video games) and enhanced production values (eg computer generated imagery).

• Digitalisation and compression -> increased capacity of networks, lower content production, distribution and storage costs.
Socio-economic change.

- More leisure (including involuntary leisure – unemployment).
- Greater prosperity (increased consumption propensity).
- Privatisation of consumption (eg DVDs, VoD rather than cinema).
- Increased mobility and population diversity (immigration, travel etc).
Technical and socio-economic changes lead to -
New entrants and new media.

- Barriers to entry have fallen (short term?).
- Media “disembedded” and “deterritorialised”.
- Distinction between “public” and “private” eroded.
- Content production de-professionalised.
- But, some “legacy” characteristics persist (high returns to scope and scale, perceived externalities, linguistic and cultural “discount”).
Adverse impact on “legacy” media.

• “Convergence” of telecommunications and mass media brings new, interactive, media and de-professionalises content production.
• Substitution in both parts of “two sided” markets.
• Time budgets finite (although growing) – new media displace final consumers’ “legacy” media consumption.
• New media better/cheaper advertising media: eBay replaces classified advertising; firms advertise jobs on own (and recruiters’) websites; Google/Facebook interactively tailor ads to users.
New media. Same but different? Not quite back to the future.

• Long tail -> advantages to long-lived incumbents.
• Segmentation of consumption -> “demassification” of the media (incumbents know market and have brands).
• Reduced costs for service at a distance -> reinforced economies of scale.
• Lower barriers to entry (“no” spectrum scarcity) -> incumbents disadvantaged.
• De-territorialisation -> regulation more difficult.
• “Prosumerism” – de-professionalises content production and makes it interactive: P2P file sharing, Web 2.0, YouTube etc.
Trends.

• Survival of legacy media – but smaller (compare impact of TV on cinema).
• Re-stratification of users – “next generation” internet user (new forms of exclusion).
• Content production increasingly dependent on subscription funding (advertising migrates to search, eBay and social media). But those with money may not be those with leisure.
• Production skills clusters changing (connectivity and coding now in the mix) but “legacy” skills (design, scripting, acting, etc) still important.
• Poor prospects for 20% European users with low literacy skills.
• New forms and loci of market dominance - bottlenecks.
Evidence: size and wealth of world language markets (data from Wikipedia).

<table>
<thead>
<tr>
<th>Language</th>
<th>Number of native speakers (number of speakers): different dates 1990-2006.</th>
<th>GDP per head 2010 (in PPP).</th>
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</thead>
<tbody>
<tr>
<td>Mandarin</td>
<td>845m (1.2bn)</td>
<td>7.519 (PR China)</td>
</tr>
<tr>
<td>Spanish</td>
<td>329m (0.5bn)</td>
<td>29,742 (Spain)</td>
</tr>
<tr>
<td><strong>English</strong></td>
<td><strong>328m (1.8bn)</strong></td>
<td><strong>47,284 (USA)</strong></td>
</tr>
<tr>
<td>Hindi-Urdu</td>
<td>240m (0.4bn)</td>
<td>3,339 (India)</td>
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<tr>
<td>Arabic</td>
<td>206m (0.45bn)</td>
<td>6,354 (Egypt)</td>
</tr>
<tr>
<td>Bengali</td>
<td>181m (0.25bn)</td>
<td>1,572 (Bangladesh)</td>
</tr>
<tr>
<td>Portuguese</td>
<td>178m (0.19bn)</td>
<td>11,239 (Brazil)</td>
</tr>
<tr>
<td>Russian</td>
<td>144m (0.25bn)</td>
<td>15,837 (Russia)</td>
</tr>
<tr>
<td>Japanese</td>
<td>122m (0.12bn)</td>
<td>33,805 (Japan)</td>
</tr>
</tbody>
</table>
Evidence: World of WarCraft.

- 9-12m subscribers.
- $14.99 for 30 days (discounted for 3 months subscription to $13.99/month and, for six months, to $12.99/month).

Activities done less since using social networking websites (%)

- Watching news on TV
- Reading a printed local newspaper
- Reading a printed national newspaper

UK: 11%, 11%, 18%
FRA: 11%, 13%, 15%
GER: 8%, 13%, 17%
ITA: 19%, 18%, 15%
USA: 11%, 18%, 15%
AUS: 11%, 13%, 21%
The Next Generation User.

*The Internet in Britain.* OxIS 2011.

- someone who accesses the Internet from multiple locations and devices.
- 2011 - 44% of UK internet users.
- greater proportion among higher income groups.
- more likely to be producers of content.
- more likely to go to the Internet first for information.
- more likely to listen to music online, play games, download music, watch videos online.
- less likely to watch ‘adult’ sexual content and bet or gamble online.