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STARTUP DRIVEN INNOVATION IN EUROPEAN MEDIA

R&I AND FUNDING CHALLENGES FOR THE EUROPEAN MEDIA SECTOR

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Enabling growth of a thriving media ecosystem in Europe

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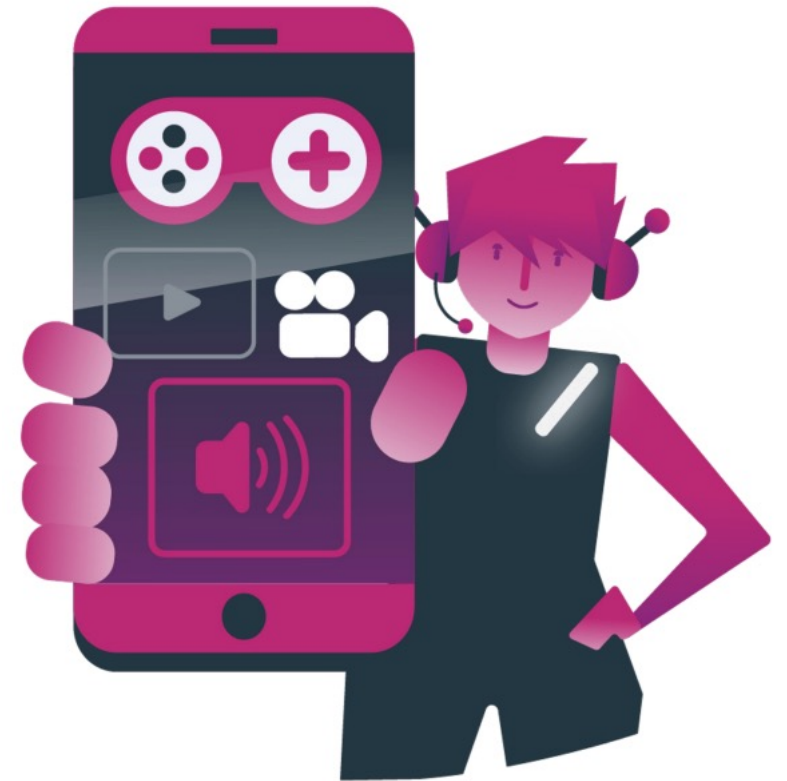
The context

The market is **changing rapidly and converging** under the action of the **digital shift** both on offer sides (e.g European broadcasters and news outlets) as well as on the side of consumers and creators (e.g. user-generated content in video games platforms).

Fundamental **changes in content creation and consumption**, enabling innovative media experiences and new storytelling

Linked to this, **new skill needs** are emerging based on a new combination of digital, tech and creative skills. As a result, new market niches may emerge

Public service media (PSM) and media actors in Europe are today undergoing and completing the **digital transformation** and securing their place in the daily lives of all European citizens.



Importance of STADIEM

- Start-ups create innovative solutions
- Corporates benefit from working with start-ups.
- They get access to innovative solutions
- They can implement innovative products in a very early stage
- They benefit from the startups' mindset
- The structural collaboration drives mutual growth on both sides, thus enhancing innovation for the entire industry



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Today's EU media industry is populated by a multiplicity of small companies (99,8%), although the turnover is driven by the large ones. There are 200.000 companies and 1 million jobs related to audiovisual, gaming and news. These subsectors compete to a large extent on the same attention economy market, where consumers continue to shift online (e.g. digital media, streaming or gaming).

European Media Industry Outlook report – May 2023

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Competitive scenario



- The emergence of giants, from Netflix to Amazon, able to mobilize and fund developments for the short, medium and long term is a measurable fact
- With thousands of dedicated engineers and almost unlimited funds they are able today to produce compelling content and develop new technologies representing today **a real and tangible threat to the broadcasting industry**
- **Innovative startups/scaleups and media corporate need to work and build together innovating in content production and content delivery**, in new forms of collaboration, joining resources and experience and generating new excellence



TODAY MORE THAN EVER!

Some key challenges for media organisations and PSM



Controlling the core elements of the media products developed while at the same time **managing the costs**.

Need for European media organisations to agree on common positions in key technological areas enabling **EU ability to influence** a market dominated by global tech companies

Developing **services for younger audiences**

Adapting services to multiple audiences : 65+, non-native, impaired, etc.

Bringing **editorial and creatives together with the technology experts at the earliest stage** of emerging technologies is crucial for unlocking innovation leading to new value propositions for the audience.

Promoting **media literacy** starting from the youngest generations



As Media organizations continuously transform and evolve, there is a need for **new skills for employees in production, engineering, distribution and IT.**

The adoption of convergent technologies in IP, cloud, 5G, AI, machine learning, game engines, etc, means that European PSM, media companies and SMEs compete head-on with other sectors, especially the global tech giants, to **attract and retain talented staff.**



Data-driven organizations

Artificial intelligence, machine learning, and big data analytics are becoming core technologies in content production and authentication, workflow automation, personalization, audience research, ...

Through **the responsible use of these technologies**, reflecting **European values**, Public Service Media and the media ecosystem of service and technology providers, hold a key role in generating quality content and in serving their audiences and society in general.



Ongoing leveraging new technologies



- **Multi-Cloud based** allowing shared services and requiring secure IP infrastructures
- **AI based applications**
- Using **Game Engines** to develop **immersive experiences** (VR,AR realities) in the forthcoming "metaverse"
- Combining **use of terrestrial/IP/satellite technologies to enhance resilience**
- **Shift from traditional broadcast & news models to hybrid, digital media platforms** => serving a differentiated audience consuming media content both on static screens and in a variety of mobile contexts
- **Using open technologies** to build efficient workflows
- **Opening new opportunities for value creation**
- **Exploring greater collaboration** to achieve efficiencies through technology co-development, partnerships, content sharing and co-creation
- **EU Media Data Space**

With a constant **pressure concerning cost control** and **sustainability**

- Public pressure on relevance of PSM
- How to reach (young) audiences (predominantly) online – AND linear
- Create prime quality content – cross media
- Cost challenges – need for efficiency
- Keep track with enormous speed of technical evolutions and related opportunities (Generative AI, Web 3.0, ...)
- How is production and technology changing from organizational and financial point of view?



EBU approach: do together what we cannot do alone

The sustainable growth of Media sector in Europe will be underpinned by constant innovation

This requires new **investments for R&D&I activities.**



A key issue: limited and fragmented funding

- Difficult access to private investment
- EU funding fragmented across multiple programmes (with different legal bases and geographical reach).
 - **CREA** with MEDIA and CULTURE strands and a focus on content
 - **Horizon Europe** and **Digital Europe** with very limited mention of the media sector as a relevant vertical in areas such as 5/6G, Cloud, AI.

Lack of a Media TECH strand, of a holistic programming enhancing synergies among the different EU funding opportunities!



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