Chapter 48
Analysis of the Change in the Audiovisual Ecosystem:
New Uses, Models, and Technologies

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ABSTRACT

This chapter presents a comprehensive analysis of the audiovisual sector in a moment of change and disruption thereof. The different elements of the ecosystem (platforms and technologies, regulation, uses and business models) are analyzed by making a deep diagnosis of their evolution and future perspectives. The sector is heavily impacted by the emergence and integration of technologies that modify the economic status-quo, and the evolution of the sector is guided by the uncertainty of the consumers' behavior, requiring adaptive strategies and innovation on the business models, making them imaginative, flexible and collaborative between the consumer and the platforms. In this analysis of the audiovisual industry and its integration strategies from a technological, regulatory and consumer point of view, relevant phenomena of this market's evolution have been identified, opening new avenues of research to delve in the industrial and economic impact of the observed changes in order to understand the future of this challenging sector.

INTRODUCTION

The audiovisual sector lives on a continuous reconfiguration and integration. Television broadcasters must integrate new technologies in order to keep the leads when the emergence of new platforms over the Internet and the multi-platform services that allow to watch any content at any time have promoted the development of new innovative business models. These technological changes have altered the eco-

DOI: 10.4018/978-1-5225-9615-8.ch048

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nomical balance of this sector, strongly impacting the whole economy of the 21st century and provoking relevant societal transformations. As important as the availability of infrastructures is to have something to convey by these new information highways, the market power of companies that merely transmit bits has decreased, by competition or regulatory interventions, as in the access technologies, and now market power is focused on content (Huigen & Cave 2008).

The tendency is evident: on the one hand, there is an increasing interdependence between the companies involved in the entertainment sector and the firms related to the delivery and processing of information (Fombrun & Astley, 1983) and, on the other hand, a move that translates the added value of communication services from basic services into the level of transport to services at the application level (Lewin, Williamson, & Cave, 2009). This is reflected in the decrease in voice telephony revenues and an increase in data, content and internet based services (Nelson, van den Dam, & Kline, 2008). Additionally, the audiovisuals products converged in terms of conception and characteristics towards web platforms, which Jenkins (2008) calls the "cultural convergence" of the media.

The Internet has constituted a process of disintermediation (Iordanova, 2012), and the media content business on the internet is led by new agents who link their activity with the distribution of contents. These actors work to the demands of the media convergent context, and propose new business models oriented towards user satisfaction (Izquierdo, 2014, 2015) due to the requirements of a more active and participative audience (Gubbins, 2012). In summary, in this complete reconfiguration for the 21st century, the audiovisual sector is in a critical moment in all aspects:

- **Technological Changes:** From traditional platforms to new ways of broadcasting content, such as connected TVs, IPTV, Over the Top services, etc.
- **Integration and Consolidation Movement Among the Actors:** Telecom operators, producers, and media.
- **Different Ways of Consuming Contents:** The behavior of the consumer has evolved along with the industry.
- **Drastic Changes in the Regulatory Framework:** In the assignment of a critical resource as it is the radio-electric spectrum.
- **The Proper Dynamism of the Sector:** Allows testing new business models on financial formulas previously unknown.

Therefore, the main objectives of this chapter include:

1. Analyzing the current situation of the audiovisual sector in all its components.
2. Obtaining a holistic view of the whole ecosystem integrating all its parts.
3. Understanding its dynamics and its strategies for the future.

As the methodology used in this analysis the authors will use the framework of the strategic analysis for technological sectors developed by Gual and Ricart (2001), (Figure 1).

The following detailed analysis is divided in the three main sections from the framework. First, the regulatory framework will be shortly analyzed: this research will include the changes in the European regulations for audiovisual telecommunications focusing on the radio-electric spectrum and the digital dividend. Second, main changes in technology and their evolution applied to television, main access technologies and platforms will be shown; in this section, improvements in mobile broadband networks

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