Communication Media Spain 2018

Foresight Brief No. 064

Authors: Cathrin Pagel, cpagel@uoc.edu
Sponsors: Fundación Observatorio de Prospectiva Tecnológica Industrial (OPTI)
Type: National foresight exercise
Organizer: Fundación OPTI, Ana Morato, anamorato@opti.org,Fundación EOI, Modesto Escobar,ICT, Institut Català de Tecnologia, Francesc Mañá, fmana@ictnet.es
Duration: 2003 **Budget:** N.A. **Time Horizon:** 2018 (15 years)

Purpose

The study aims to determine the evolution of social communication media in Spain within the next 15 years with special attention to the impact of new technologies in this area. The specific objective pursued by this forecast is to provide information that helps Public Administrations in their decision-making and companies in facing challenges of the future.

Diversity of Communication Media

The different media (press, radio, television and internet) analysed in the framework of the foresight exercise organised by the Fundación OPTI do not represent only different modes of sensorial perception, distribution channels, support types and geographical coverage, but also different social functions and levels of interactivity.

However; the hypotheses raised in the framework of this foresight exercise show that the situation of these characteristics may change in the next few years due to the impact of new technologies, such as digital, terrestrial television or broadband technologies. E.g., at present the broadcast mode for television is a one-to-many-relation, but the enhanced deployment of specialised information channels and the possibility to acquire contents in fragmented form will turn this relation into a one-to-one relation. These changes will have important repercussions on the business model of the companies operating in the media sector. The increasing demand for information on specific subject areas may constitute an outstanding business opportunity, especially for small and medium sized enterprises.

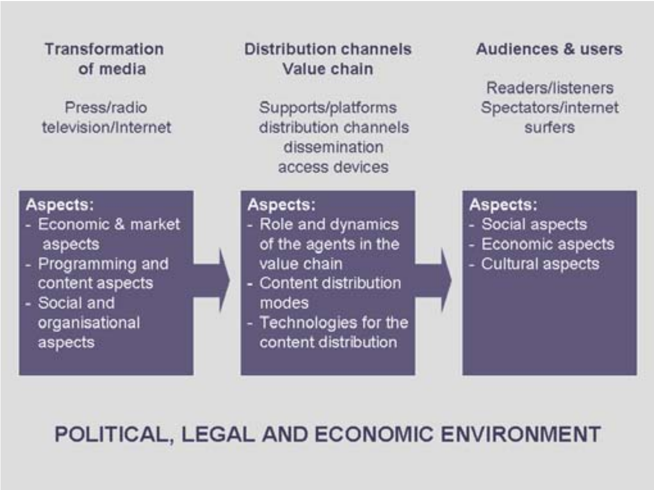
What will be the Future of Traditional Media?

With the help of media experts, the foresight aims to explore the future of traditional media in Spain, such as press, television and radio, and the Internet in the next 15 years with special focus on the impact of new technologies on this sector. Therefore a great variety of aspects, e.g. technological development, social needs and trends, acceptance of new information supports, channels and formats, of new working methods, etc. have been subject to analysis. The study contains valuable information, which allows decision makers from public administration and the private sector to adopt the most appropriate strategies to face the challenges of the future and to stay competitive.

Assessing the Political, Legal and Economic Environment of New Media

The first step of the study consisted in the development of a conceptual model, which serves as reference model for the subsequent analysis on possible changes in communication media due to the impact of new technologies

The EFMN is financed by the European Commission DG Research. It is part of a series of initiatives intended to provide a 'Knowledge Sharing Platform' for policy makers in the European Union. More information on the EFMN and on the Knowledge Sharing Platform is provided at WWW.EFMN.INFO



As shown in the preceding figure, the conceptual model includes three main blocks, in addition to a forth block considering all those environmental influence factors not directly related to the media sector, but decisive for its future.

- Transformation of media
- Distribution channels/value chain
- Audiences/users
- Environmental conditions

Once the conceptual model was defined, a survey to validate a list of 41 hypotheses concerning the future of communication media, classified in four blocks, was dispatched to a large sample of experts and professionals of the communication sector. For each hypothesis, the respondents had to indicate the expected time frame: 2003-2006, 2007-2010, 2011-2015, after 2015, never. The following nine steps made up the operative process of this fieldwork

1. Creation of a panel of experts
2. Definition of hypothesis on the future of communication media
3. Definition of a Delphi survey
4. Dispatch of the survey (1st round)
5. Processing of partial data
6. Dispatch of the survey (2nd round)
7. Results of the survey (quantitative)
8. Discussion with panel of experts
9. Composition of the final report

Nine recognised professionals made up the panel of experts from the communication sector.

Transformation of Media

This first block of the conceptual model deals with the transformation of the four media analysed (press, television, radio and Internet) due to the impact of new technologies. It focuses especially on the following aspects:

Market and economic area - The tendency of merging media in big groups of multimedia communication will even be increased in order to reach the dimension required to be competitive in the market. In order to process information in different formats destined for different media, these new groups need to develop a strong **multimedia capacity**.

However their continuity in the market depends primarily on a successful **branding strategy**. Different product brands, which can be used across multiple platforms, will be created.

Advertising continues to be the main income source and will be oriented to the promotion of the **values attributed to the different brands**, what strengthens even more the power of brands. Nevertheless, the media groups are expected to diversify their income sources, e.g. by offering new services or through direct commercial transactions.

Programming and content area - The new communication media are based on a one-to-one concept (we can select what we are interested in) instead of the present one-to-many relation (take what we are offered). This new consumption model changes the focus of the prevailing supply-driven towards a smoother approach driven by demand.

Technological area - The **immediate availability of fresh information** will be appreciated more than analysis and journalistic investigation. The Internet with the deep transformation it has experienced to process and disseminate information is the best example for this immediateness.

Furthermore, for the period from 2007 to 2010, the implementation of a new generation of communication media accessible via broadband and via **permanent connections** is expected.

Social and organisational area - To keep up with new methods of editing and processing information, journalists and other professionals of the information sector must receive continuous training in multimedia technologies. This is necessary to increase the productivity, reduce costs and improve the competitiveness of the communication groups.

Furthermore use of new information and communication technologies will promote flatter organisation structures and hierarchies, which are necessary to increase the efficiency and the before-mentioned immediateness.

Distribution Channels and Organisation of the Value Chain

The second part of the conceptual model analyses the wide variety of supports and access devices offered by the existing distribution and dissemination channels for the different types of communication media. The emphasis of this analysis lies on the following aspects:

- Role and dynamics of the agents in the value chain

- Content distribution modes
- Technologies for content distribution

Role and dynamics of the agents in the value chain: The content creation industry provided with distribution rights will constitute an important economic sector in the future. Already at present a convergence process between content creation companies and distribution networks can be observed. These mergers are aimed to generate added value for the companies themselves and their customers. The big press agencies will persist, although they will have to share the market with more specialised alternative information sources.

In the future the different types of media will coexist. However they will be used not only depending on the values they bring to users, but also depending on the daytime.

- Early in the morning – Radio
- Morning – Press
- Morning and Afternoon – Internet
- Evening and night – TV and Internet

Concerning the question if traditional newspapers will lose customers to digital press, the opinion of the experts is divided. Nevertheless they agree that the role of traditional press is changing, since it is used more and more often for opinion creation or entertainment and not as much as information support.

Content distribution modes. In the medium run, customers will have the possibility to purchase contents in fragmented form, what may open new business opportunity for small and medium enterprises specialised in very specific areas.

Digital terrestrial television will be enhanced by a growth in the supply of new contents and a larger number of free channels, while the knowledge of user preferences allows a customised content distribution targeted to specific audiences.

Furthermore advertising channels specialised in different subject areas or products may appear. Ads will be much more creative than at present and intend to create certain complicity with potential customers.

Technologies for content distribution: In the future a wide variety of technologies and supports for content distribution will coexist, although at the moment there are several obstacles, such as the allocation of frequencies and channels or the substitution of existing infrastructures and devices, which slow down the massive implementation of digital terrestrial television. Therefore a massive use of this technology is not expected before the end of this decade.

The deployment of broadband technologies in Spain has been a quite inefficient process, since technologies that could be installed quickly and at a low cost, such as ADSL, were preferred. In contrast, technologies with a much better performance and capacity, such as cable, were neglected.

In order to encourage rural development, public administration has to foster the deployment of broadband infrastructure in those regions with a low population density. The installation of wireless technologies is a good way to reduce installation delays in these regions.

In the short or medium run most households will own a single terminal provided with broadband access, which can be used as both, as TV and as computer.

Users as Readers, Spectators, and Internet Surfers

The third block is concerned with the audiences and users of the different media types: readers, spectators and Internet surfers.

Traditional newspapers hardly attract new customers among coming generations. General press is especially affected by this phenomenon, whereas specialised press maintains its sales, since new generations demand **more specialised media** that deal with their specific interests.

The audience will be subject to a continuing process of **globalisation and stratification**; i.e. the audiences of certain programmes have the same tastes and interests, wherever they live in the world. Therefore new media will offer programmes reaching out to specific publics and globalised, cultural elites. Knowing the profile of these audiences is a key factor for a programming and advertising successfully.

However, there are still many cultural and social barriers slowing down the deployment of direct commercial actions operated by new media like electronic commerce via digital terrestrial television (T-Commerce).

Environmental Conditions

The conceptual model is completed by an additional analysis of the political, legal and economic factors that may influence or directly affect the future development of communication media.

Legislative developments are far behind technological progress and social requirements. Especially the regulation of copyright demands the intervention of the legislator.

Regarding the formation of opinion it is assumed that the present situation will not change significantly, i.e. media keep on being the main transmission channel for the interests of different lobbies.

The (Digital) Media Divide

The transformation the communication media will undergo in the next 15 years due to the impact of new technologies on the sector will be determined mainly by five significant trends:

- Massive broadband access and permanent online connections
- Advancement of communication media by replacing the supply driven focus by a demand driven one.
- Vertical integration of content creation industry and distribution channels
- Possibility to access different media via the same terminal
- Stratification and globalisation of audiences

These are the main conclusions drawn from the study undertaken by Fundación Observatorio de Prospectiva Tecnológica Industrial (OPTI) in collaboration with Fundación EOI and the Instituto Catalán de Tecnología (ICT). Some of the trends predicted are already underway such as the change of working methods in the area of media, information and communication.

The number of digital press users is increasing at a more rapid pace than the number of new Internet surfers. Additionally the number of electronic press readers starts to exceed that of readers of traditional newspapers. In 2003, when the study was completed, Spanish digital media had more than 2.6 million readers per day.

Digital media are about to become a threat to traditional media, since among the coming generations more and more users of digital press stop buying traditional newspapers.

However, the authors of the foresight indicate that all that glitter is not gold for digital press. The results of a survey on the labour situation of digital journalists reveal the instability and precariousness that most of them suffer from. The information user, in turn, takes a more and more active part in the content creation (e.g. when publishing a weblog). By doing so these new information agents are about to demonstrate that journalists are not indispensable. Therefore the pressure for journalists to adapt to the new media landscape and working conditions is extremely high.

In order to prepare future professionals to work under these conditions, universities should adapt their study programs to enhance multimedia and technological competences of their students. The ongoing Bologna process might be a good opportunity to introduce new contents into the curricula of future journalists.

Both, companies and professionals shall develop a greater awareness for the need of continuous training to stay competitive.

Sources and References

CMT - CAT (2002): La televisión digital terrenal en España. Situación y tendencias. Comisión del Mercado de las Telecomunicaciones y Consell de l'Audiovisual de Catalunya. Madrid.
http://www.cmt.es/cmt/centro_info/publicaciones/pdf/TDT_CACCMT.pdf

DBK (2003): El mercado de acceso a Internet. Madrid. Estudio de mercado sobre los proveedores de acceso a Internet en España.
http://www.dbk.es

Portavoz del Gobierno (2003): Agenda de la Comunicación. La Moncloa. Madrid.
http://www.la-moncloa.es/web/asp/min03.asp