

The Need for a Belgian Market Place



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We're walking among giants

1.

ADVERTISING
GIANTS

2.

CONTENT
GIANTS

3.

PLATFORM
GIANTS

4.

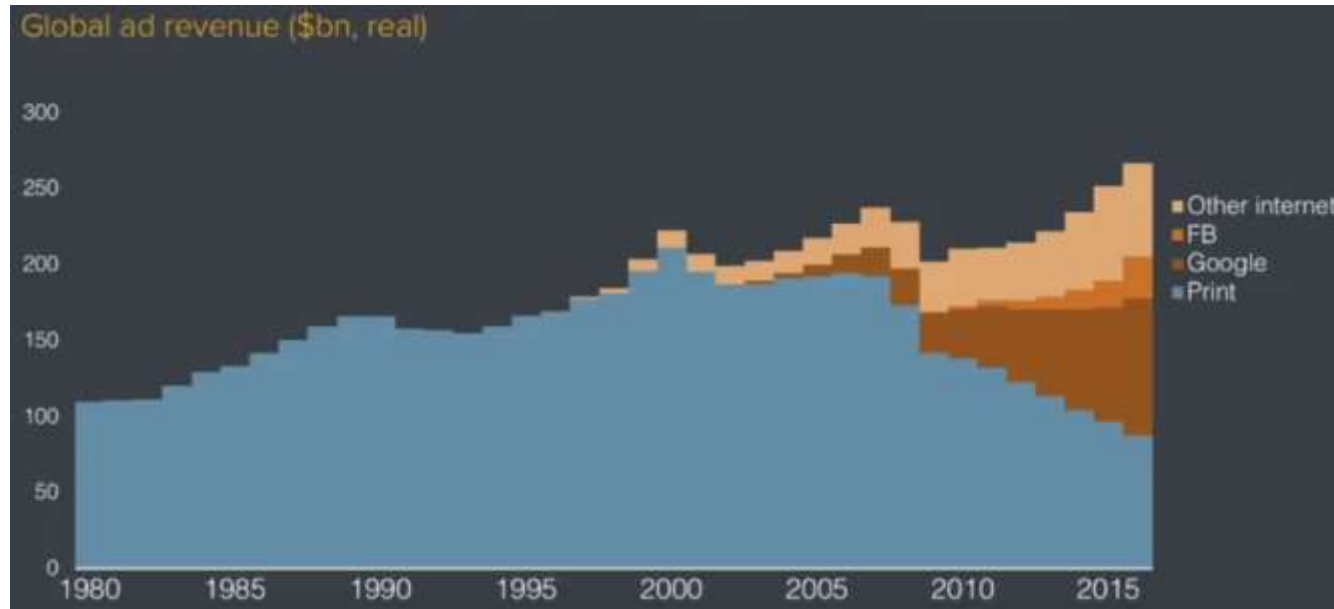
FUTURE
GIANTS



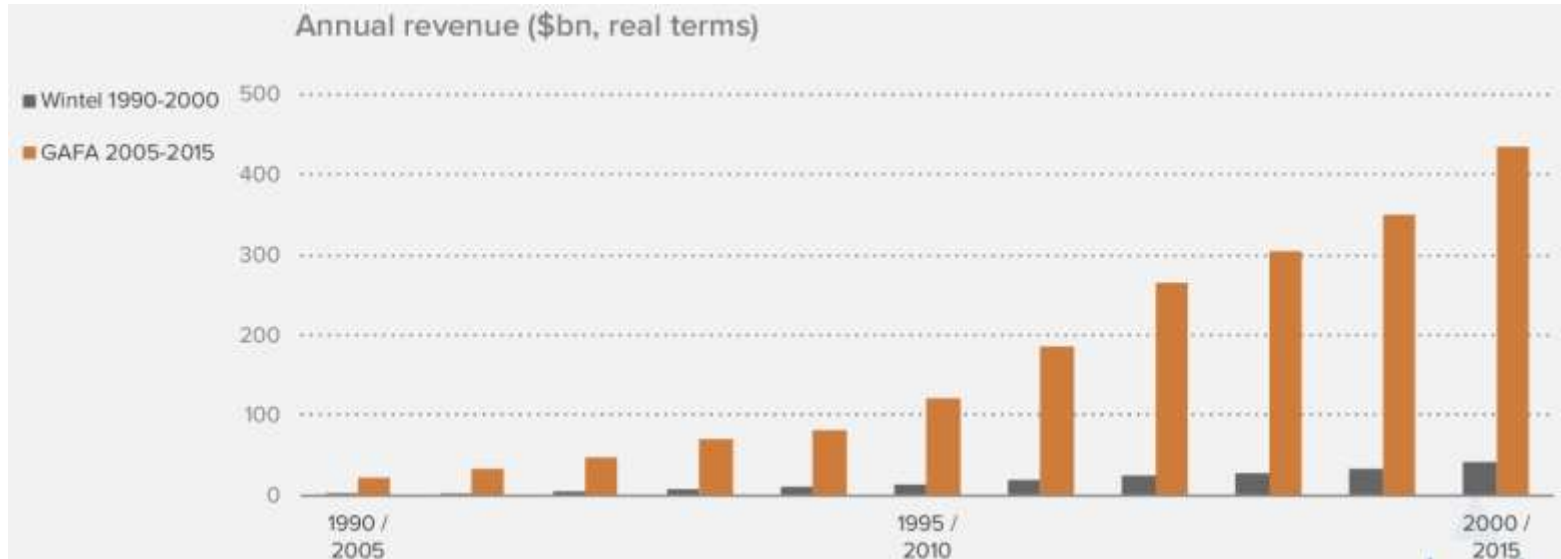
1. Advertising Giants



50% global ad revenues internet based.
Half of that captured by Google and Facebook.



Can one even compete with GAFA?



Evans, B. (2016) Mobile is eating the world. Andreessen Horowitz presentation, December 6 2016.
<http://ben-evans.com/benedictevans/2016/12/8/mobile-is-eating-the-world>

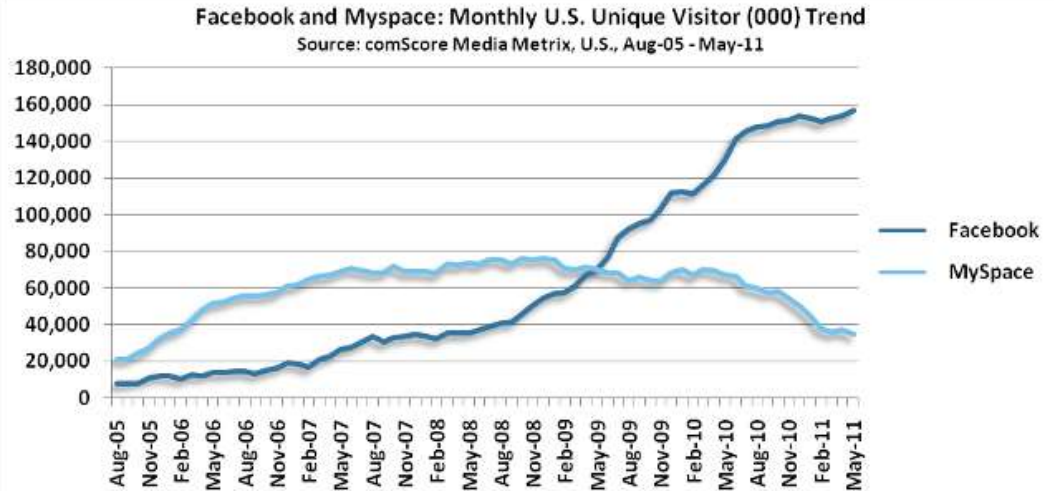


Dominant platforms come and go

Technology

Will MySpace ever lose its monopoly? *Victor Keegan*

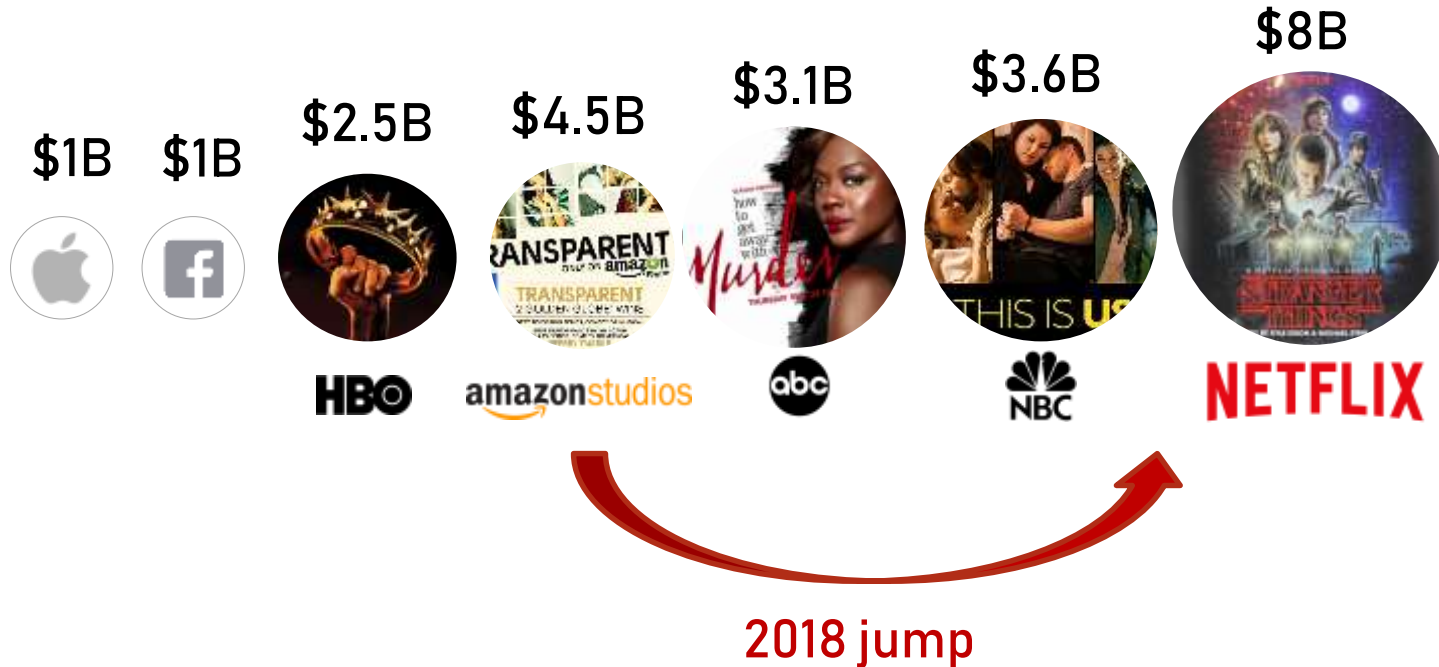
Thu 8 Feb 2007 12:41 GMT



2. Content Giants



International huge production budgets



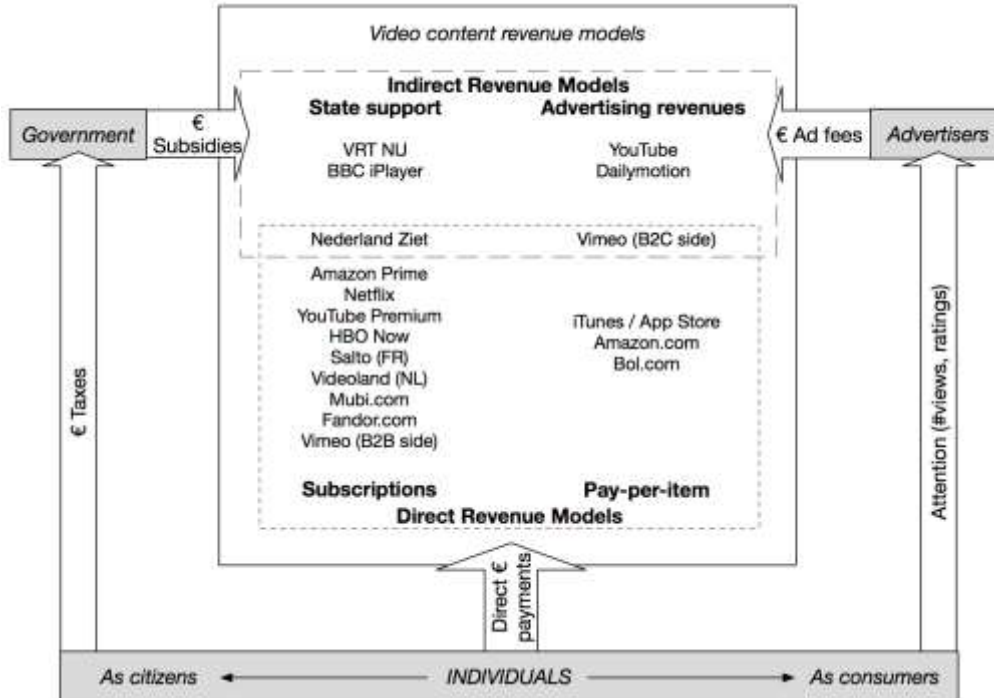


Merger & Acquisitions in the (ending?) age of cheap capital

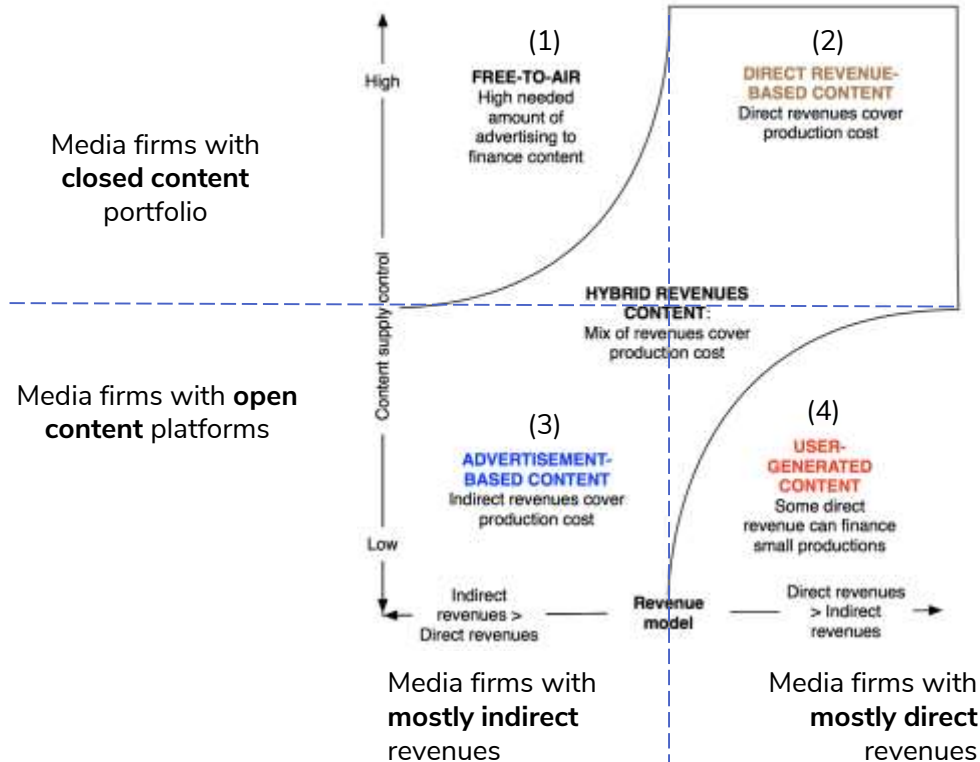
- 50,000 M&A deals globally in 2017
- 500,000 M&A deals in period 2006-2017
- 2017-2018 important media/telco mergers
 - Discovery + Scripps (finished)
 - AT&T + Time Warner (approved)
 - Walt Disney + Twentieth Century Fox (ongoing)
 - Viacom + CBS (ongoing)



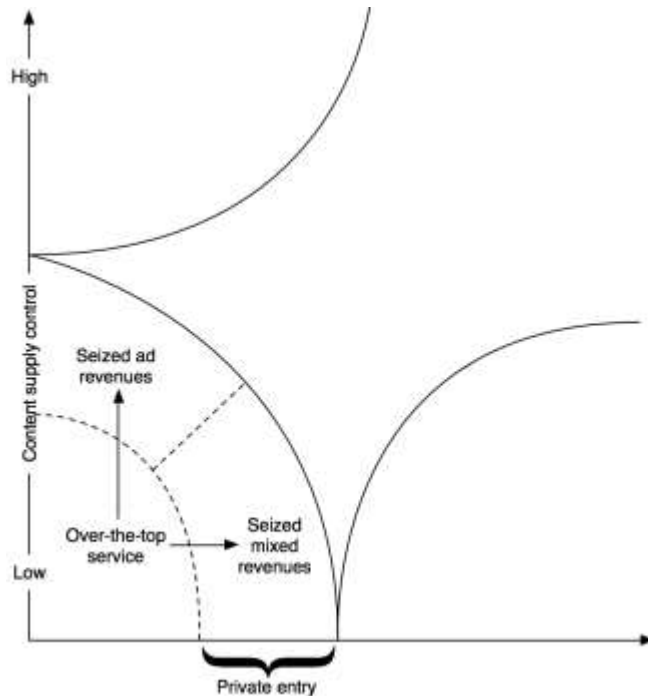
Two core content revenue models: Direct and indirect revenues



Four media content firm archetypes



Market entry by ad-based open platforms

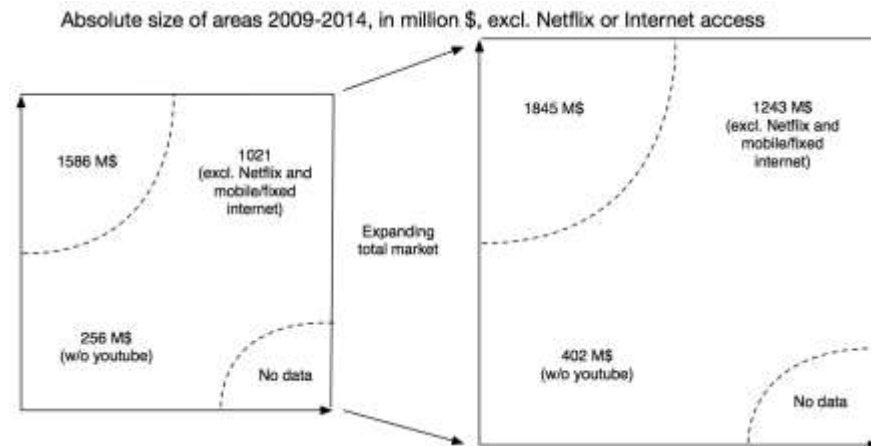


- Decentralized content control + indirect revenue model
- Platforms enable/allow creators to earn indirect revenues from end-users
- YouTube, Facebook, ...
 - The brand name of YouTube supercedes brand name strength of our local broadcasting channels

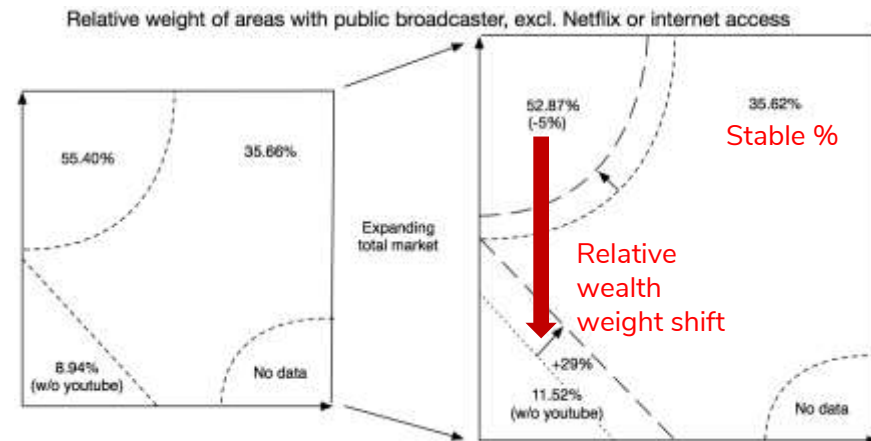


Belgian Audiovisual Market 2009-2014

- Gross revenue market sizes
- (Incl. public broadcaster, excl. mobile & fixed internet)



- Relative weight of above areas.
- YouTube/Facebook revenues not even mentioned yet!



3. Platform Giants



Amazon platform





Amazon / Netflix large threat for DIRECT revenue model

- Netflix content strategy
A few **flagship productions** (House of Cards, Stranger Things)
+ inexpensive leftovers
- Content model of Netflix can become hard to distinguish from local broadcasters if Netflix licenses *cheap* content





Google / Facebook large threat for INDIRECT revenue model: Emerging alliances

- **European Broadcaster Exchange** *Mediaset (Italy and Spain), ProSiebenSat.1 Media (Germany), TF1 Group (France) and Channel 4 (UK)*
Video advertising inventories from their countries of origin for programmatically buy pan-European TV campaigns
- **OpenAP** *(Turner, Viacom, 21st Century Fox, and NBCU, a.o.)*
Licensing of standard data sets and the development of tools for audience-based buying.
- **Ozone project** *(Guardian, News UK and Telegraph)*
Leverages first party CRM data with publisher audiences to segment audiences into purchasable groups.



Emerging alliances (cont.)

- **Sky and Virgin Media** strategic partnership
Targeted linear and video on demand (VOD) TV advertising
- **Pangaea Alliance** (*CNN International, The Guardian, Reuters, Dennis Publishing & Mansueto Ventures*)
Access to their combined online advertising inventory.
- **The News Media Alliance** (*represents ± 2,000 publishers in North America*)
Called on US Congress to allow them to negotiate collectively with digital distributors. The objective is to allow publishers to have concrete discussions with the two dominant distributors of online news content, Google and Facebook, on business model solutions to secure the long-term availability of local journalism produced by America's newsrooms

4. Pipeline of Future Giants



Largest unicorns worldwide

Company	Valuation (US \$billion)	Valuation date	Country
Ant Financial	150.0	April 2018 ^[2]	China
Uber	82.5	August 2016 ^[6]	US
Didi Chuxing	58	April 2017 ^[13]	China
Xiaomi	45.0	April 2015 ^[20]	China
Meituan-Dianping	30.0	October 2017 ^[11]	China
Airbnb	30.0	September 2016 ^[13]	US
SpaceX	24.0	April 2018 ^[12]	US
Flipkart	20.8	May 2018 ^[18]	India
Palantir Technologies	20.1	November 2016 ^[2]	US
CATL	20.0	March 2018 ^[10]	China
Toutiao	20.0	August 2017 ^[5]	China
Cainiao Logistics	20.0	March 2018 ^[18]	China
Lufax	18.5	January 2016 ^[2]	China
WeWork	16.9	October 2016 ^[2]	US
Pinterest	11.0	May 2015 ^[23]	US
Jedaoobao	10.77	March 2018 ^[10]	China
Tencent Music	10.0	September 2017 ^[11]	China
DJI	10.0	September 2016 ^[1]	China
Paytm	10.0	January 2018 ^[14]	India
Grab	10.0	June 2018 ^[18]	Singapore
WeBank	9.23	March 2018 ^[10]	China
Stripe	9.2	November 2016 ^[2]	US
PingAn Health Insurance Tech	8.8	March 2018 ^[10]	China

Koubei	8.0	January 2017 ^[11]	China
Moderna Therapeutics	7.5	February 2018 ^[16]	US
JD Finance	7.3	January 2016 ^[11]	China
Hulu	5.8	August 2018 ^[3]	US
Homelink	5.7	April 2016 ^[20]	China
Robinhood	5.6	March 2018 ^[16]	US
WeBank	5.5	January 2016 ^[11]	China
Lyft	5.5	January 2016 ^[13]	US
Coupang	5.0	June 2015 ^[23]	South Korea
NIO	5.0	November 2017 ^[13]	China
United Imaging Healthcare	5.0	September 2017 ^[11]	China
Magic Leap	4.5	February 2016 ^[13]	US
Zanefits	4.5	May 2015 ^[23]	US
Meizu	4.4	October 2016 ^[11]	China
BAIC BJEV	4.2	August 2017 ^[11]	China
Yello Mobile	4.05	November 2016 ^[3]	South Korea
GO-JEK	4.0 ^[20]	February 2018	Indonesia
UBTech Robotics	4.0	November 2017 ^[11]	China
Slack Technologies	5.1	April 2016 ^[10]	Canada
Garena	3.7	September 2016 ^[2]	Malaysia
Shouqi Car Rental	3.55	December 2016 ^[11]	China
Credit Karma	3.5	June 2015 ^[1]	US
Meizu	3.3	February 2015 ^[6]	China
e-Shang Redwood	3.25	July 2017 ^[11]	China

Not single European company in top 70



Largest unicorns worldwide

Oscar Health	3.2	March 2018 ^[21]	US
Fanatics	3.17	August 2015 ^[20]	US
All Music	3.0	September 2016 ^[11]	China
Jia.com	3.0	February 2015 ^[11]	China
Kuaishou	3.0	March 2017 ^[11]	China
Meituan Group	3.0	November 2015 ^[11]	China
Wanda E-commerce	3.0	January 2015 ^[2]	China
Ping An Good Doctor	3.0	May 2016 ^[2]	China
ContextLogic (Wish)	3.0	November 2016 ^[2] [132]	US
SoFi	3.0	September 2015 ^[2]	US
Royale Corporation	3.0	November 2016 ^[2]	China
WANGL	3.0	February 2014 ^[2]	China
LY.com	3.0	August 2016 ^[11]	China
Yixia Technology	3.0	November 2016 ^[11]	China
Ola Cabs	3.0	April 2017 ^[22]	India
Bloom Energy	2.83	January 2015 ^[2]	US
Pivotal	2.8	May 2016 ^[2]	US
UnionPay Merchant Services	2.8	October 2016 ^[11]	China
ArtWINS Group, Inc.	2.8	October 2016 ^[22]	US
Vice Media	2.55	December 2015 ^[2]	Canada US
Lazada Group	2.5	April 2016 ^[2]	Malaysia
Quintix	2.5	April 2017 ^[22]	US
Mozdo	2.39	October 2014 ^[2]	US
Houzz	2.32	October 2014 ^[2]	US

Adyen	2.3	September 2015 ^[2]	Netherlands
Klarna	2.25	August 2015 ^[2] [24]	Sweden
Compass	2.2	December 2017 ^[27]	US
KingSoft Cloud	2.12	January 2018 ^[11]	China
Opendoor	2.1	December 2016 ^[22]	US
Taobao Movie	2.1	May 2016 ^[2]	China
Three Squirrels	2.09	September 2015 ^[11]	China
Traveloka	2.0 ^[24]	February 2018	Indonesia
Taociopiao	2.0	July 2017 ^[11]	China
Face++	2.0	November 2017 ^[11]	China
Deliveroo	2.0	September 2017 ^[22]	UK
Domo	2.0	March 2016 ^[22]	US
Huimin.cn	2.0	September 2016 ^[11]	China
Meical.cn	2.0	June 2016 ^[11]	China
Olo	2.0	July 2017 ^[11]	China
Sonos.com	2.0	December 2017 ^[11]	China
Tubefu.com	2.0	March 2015 ^[11]	China
Maoyan-Weiyang	2.0	November 2017 ^[11]	China
Youxipai	2.0	January 2017 ^[11]	China
HelloFresh	2.0	November 2017 ^[21]	Germany

#72

#73

#82

#91

Our European multilingual markets are both a curse and a blessing

It fences off our markets, but hampers scale



The four elements of competitive strength

- Scale efficiencies
- Capital requirements
- Product differentiation
- Platform dominance

... require cooperation asap



Thank you very much for your attention

If you have any questions about this presentation
please don't hesitate to contact me at:

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