Business Models, IP and the Creative Industries: A Meta-analysis

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Overview

• Policy context
• Methodology
• Findings
Central Research Thesis

• Question: How have the UK CI adapted their business models following changes to the role of copyright?
Policy background

- Hargreaves review of IP (2011)
- Underlying premise: business models and copyright need to adapt to the digital world
- General acceptance by industry of premise
## Analysis of consultation responses

### Table 1: Counts of Business Models arguments in industry submissions to the 2011 Hargreaves Review

<table>
<thead>
<tr>
<th>Argument</th>
<th>CMO, Unions, (percentage category)</th>
<th>TA, count of Individuals and individual orgs</th>
<th>Total number of submissions making said argument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change copyright to encourage new business models</td>
<td>4 (10%)</td>
<td>1 (7%)</td>
<td>5 (10%)</td>
</tr>
<tr>
<td>Existing copyright enables business model change</td>
<td>9 (24%)</td>
<td>2 (14%)</td>
<td>11 (21%)</td>
</tr>
<tr>
<td>Existing copyright should be better enforced to protect business models</td>
<td>18 (47%)</td>
<td>6 (43%)</td>
<td>24 (46%)</td>
</tr>
<tr>
<td>Business models are fast moving</td>
<td>15 (40%)</td>
<td>6 (43%)</td>
<td>21 (40%)</td>
</tr>
<tr>
<td>Other (discussions on levies, strategy, licensing)</td>
<td>2 (5%)</td>
<td>1 (7%)</td>
<td>3 (6%)</td>
</tr>
</tbody>
</table>
Industry response since Hargreaves

• Lobbying against changes
  – Quashed private copying exception
  – Questionable future for Digital Copyright Hub

• Business models?
Methodology: Meta-analysis

• Coding across multiple studies at the Centre for Copyright and New Business Models in the Creative Economy (CREATe) at Glasgow University

• All studies since 2011 (Hargreaves), UK and Scotland focus, similar methodologies

• 58 CREATe projects plus commissioned works was narrowed to 20 studies, resulting in 80 case studies
Analytical Framework

• Lack of consensus in business model literature on definitions, functions and categorisations
• Baden-Fuller (2016), four elemental business model taxonomy: product, solution, multi-sided triadic and matchmaker models
• Definition imposed ex-post
Analysis and Findings

• Product model is dominant
• Solution second most popular
  – Work-for-hire
  – Commissioned work
  – Bespoke (design and fashion)
• Matchmaker
  – Largely retail (artefact)
• Triadic/multi-sided
  – Games and broadcasting
Analysis and Findings

Figure 1: Count of Business Models categories by Sector in meta-analysis of CREATe research

- **Other Creative Industries**
  - Dance/Theatre
  - Fashion/Design
  - Film/Television
  - Games
  - Music
  - Publishing

- **Digital Media**
  - Matchmakers
  - Multi-sided/Triadic
  - Product
  - Solution

N=81
Figure 2: Distribution of Media Business Models by role in value chain

BIOUSINESS MODEL
- Matchmakers
- Multi-sided/Triadic
- Product
- Solution

N=60
Analysis and Findings

- Largely no change from the pre-digital era – product model is reigns supreme
- Some experimentation in
  - Pricing mechanisms
  - Value propositions
- IP not a dominant force
Conclusion

• Business models are surprisingly stable

Remaining Questions

• Can the CI really change their BM? Is the timeline too short?

• Was the Hargreaves assumption wrong? *Focus on innovation, not business models*

• Methodology problems?
Thank you

• @DrNSearle