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

Dr. Nicola Searle
EPSRC Digital Economy Fellow
ICCE, Goldsmiths
Worked funded by CREATe Glasgow
May 26, 2017, Digital Catapult

Institute for Creative and Cultural Entrepreneurship

EPSRC
Engineering and Physical Sciences Research Council

Goldsmiths
UNIVERSITY OF LONDON

CREATe

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

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

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

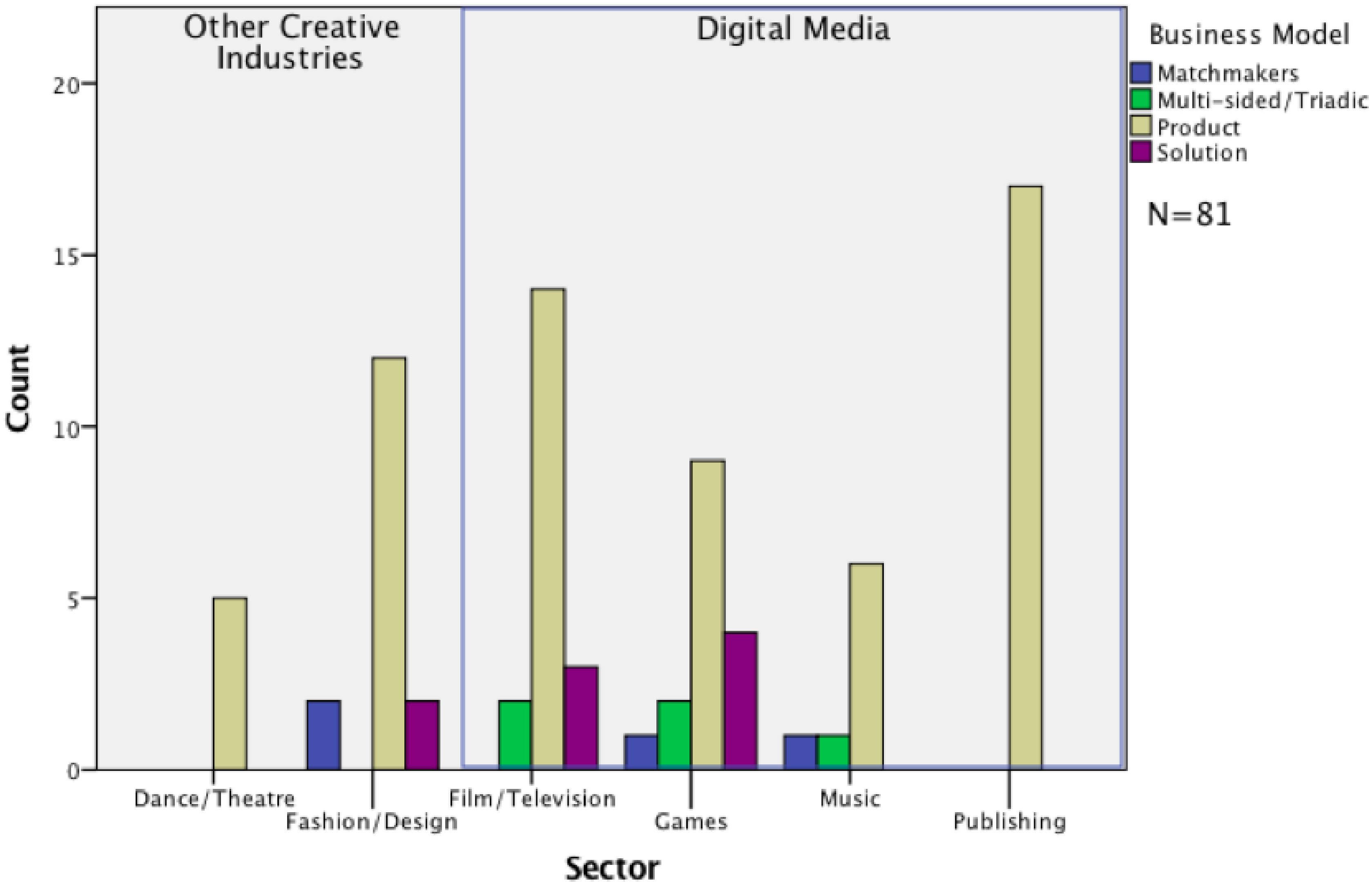
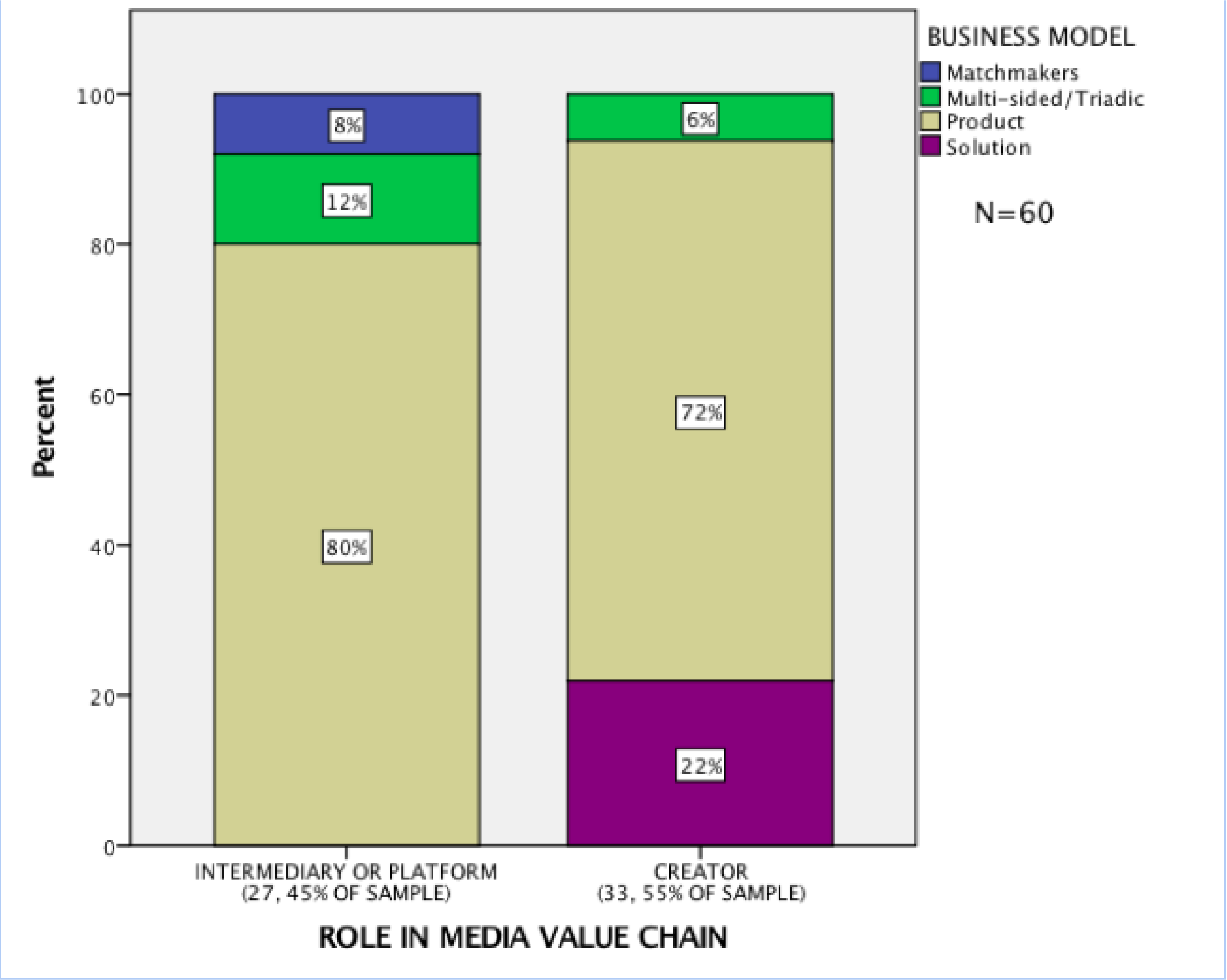


Figure 2: Distribution of Media Business Models by role in value chain



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