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# Pilot Project – Digital European Platform of Quality Content Providers

## Executive summary



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## Objective of the study

The general objective of the feasibility study is to test and analyse the viability of creating a European online platform for the creation and distribution of news and content of general interest, assessing in particular the long-term sustainability of a quality content platform and its relevance, impact and value for EU citizens and media outlets. The study addresses all the relevant fields that are essential to develop the platform, mitigating potential risks and focusing on business models, legal and governance options, multilingual solutions, technological aspects, and user experience. Indeed, quality content needs greater visibility and revenues, to strengthen democratic processes and ensure that citizens can access plural and fact-based news content.

## Our approach

We provide a tailor-made consortium so as to combine all the required skills to match with the objective of the study. IDATE DigiWorld and Europe's MediaLab are working together with the active participation of Francine Cunningham (Bird&Bird), Gian-Paolo Accardo (Voxeurop) and Daniel Knapp (Gannaca) to ensure we fully address the challenges and cover all the dimensions of the mission study.

We split the work in 4 main tasks starting from a comprehensive view on the available solutions so as to widely open the choice of potential options, we then defined the key requirements necessary for the creation of a new platform, developed several options for a new platform through scenarios and tightened the selection through an impact assessment before leading to the materialisation of a central scenario, co-created with stakeholders. We associated industry experts and stakeholders at every stage of this mission building consensus under realistic options. We conducted at 40+ in-depth interviews in the course of the feasibility study, and organised 6 collective workshops with media stakeholders and 2 thematic workshops which will gathered around 50 experts and stakeholders.

## Digitization has brought profound changes to the way that citizens consume news media over the last 15 years.

Massive shift in consumer behaviour and sharing platforms has transformed the news ecosystem. To counter gatekeepers, news industry stakeholders have occasionally grouped some own platforms. Mutualizing online content services generated some positive outputs while sharing know how, costs or news contents. Unfortunately, hurdles have been too high so far for content/news sharing to reach a broad scale. Among issues are: business models, standards, efficient use of data or stakeholders' involvement. Moreover, handling copyright-related issues and GDPR compliance have been challenging for players, even more in cross-border initiatives. At the same time, disinformation is developing through new formats and tools, thus becoming harmful to democracy

Faced with steady costs and decreasing revenues, media companies are keener than ever on sharing resources. Sharing quality content across borders could help build up additional revenues for the news ecosystem and catalyse technological developments that could help to overcome past hurdles. A reason for optimism in the news media sector is consumer appetite for news remains high.

## Key requirements and Building Blocks for content sharing

This study first defines minimum conditions for a platform to meet the objectives of the EC to develop a Digital European Platform of Quality Content Providers. 12 Building Blocks supporting content sharing with or without a new platform were identified.

Requirements for features are broken in 6 building blocks.

- Translation for multiple languages coverage and European coverage. It is merged in Technology building block.
- Editorial choices and curation to cover the needs of journalists for publication and to tailor specific content for specific audience.
- Copyrights and negotiation to address the issue of content rights management.
- Content strategies to challenges the way to address national/European end user and tackle content sharing options. In turn, business models address content monetization for the end user and in B2B mode.
- The opportunity to use a cross border environment to co-produce or co-create (end user) news content is challenged.
- Change management highlights the need to adapt to the digital environment, linked technologies and new know how.

Some features are already in use, others need consolidation or are on track for further deployment. Moreover, features vary depending on market and news media needs.

The 6 major technology building blocks identified to meet the objectives are the following:

- Architecture for content sharing, as sharing is clear prerequisite of the solution
- Content search and discovery, that will rely on content metadata likely to be shared with content itself
- User data (and enabling data management tools/technologies like Big Data) that could be also shared in addition to content and metadata
- Translation, as the platform is expected to offer European coverage and therefore multiple languages
- Quality check and traceability, as the platform is expected to convey quality information and European values and be used against disinformation
- Advertising technologies, when advertising is considered a relevant business model to sustain the platform

These blocks might use enabling technologies like artificial intelligence (especially machine learning), analytics/Big Data or blockchain.

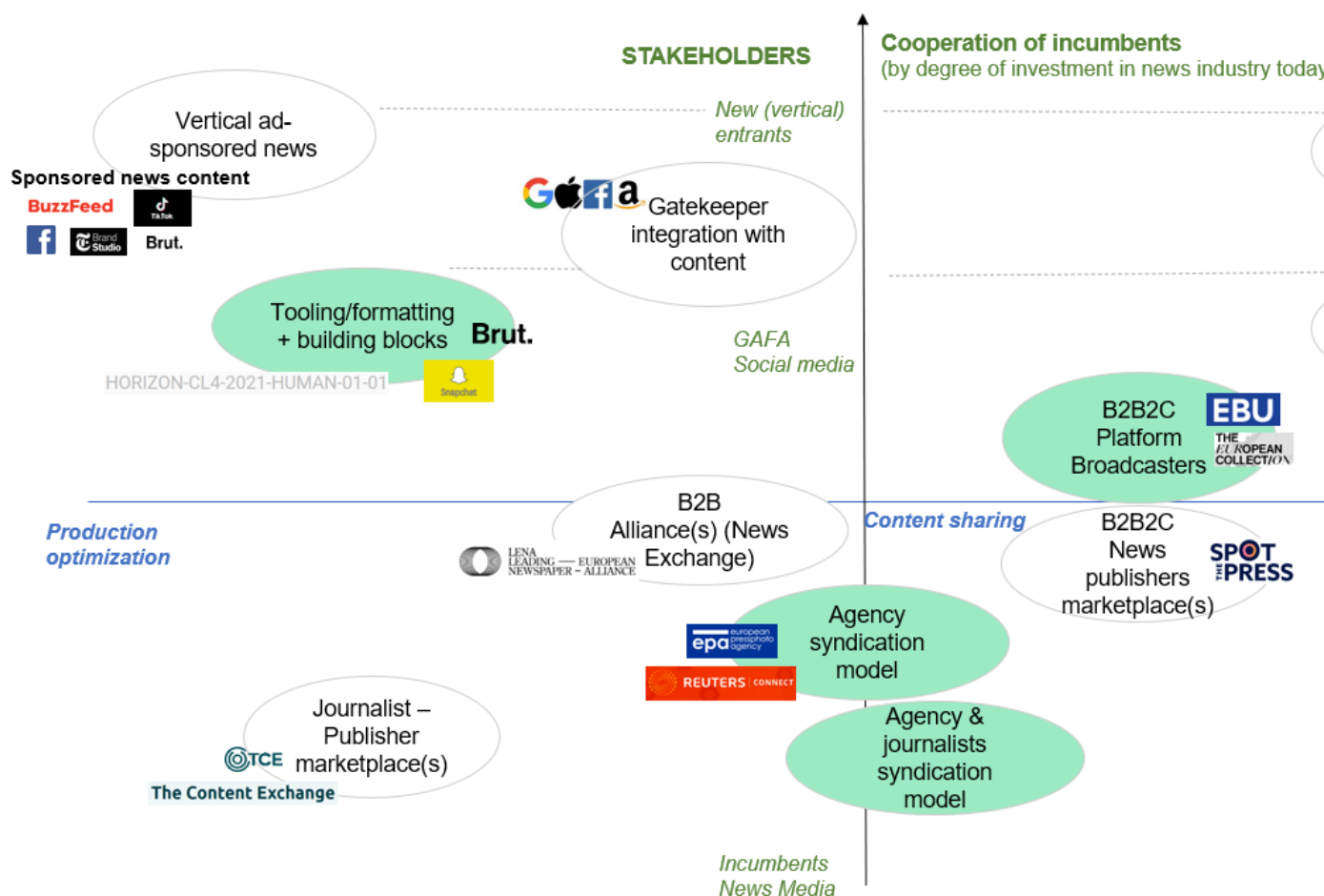
Finally, analysis and feedbacks from the industry indicated that quality content sharing requires notably: Translated Syndication, Indexation, Copyrights management, Change Management, AI for content verification, creation and indexation.

### **Several options for a new platform**

The study then explores potential changes in the news market over the next 3 years, aware of a high degree of uncertainty over the timing and end points of these changes. This industry is developing at a fast pace, driven by new ways of consumption, innovation in technologies, business models, incumbent stakeholders. Therefore, a set of scenarios for the media industry over the next 3 years have been designed, focusing on technologies and actors building news content strategies. Key scenarios are positioned according to stakeholders versus supply chain axes and incumbents versus new players, regrouping-

- existing news media groups (press, broadcasting), (US) Tech Giants and social media, Vertical industries investing in the news segment) and their cooperation with traditional news players to develop cooperation that could lead to sharing platform(s) and/or collective innovation/R&D initiatives
- positioning in the content supply chain, from optimisation in news production, content sharing or exchange to more client facing activities (typically distribution).

### Three potential platform options are feasible: B2B2C broadcasting, Agency syndication model, Tooling/formatting + Building Blocks



Source: Consortium

Not all scenarios require the development of new platforms, some are indeed only stakeholders' cooperation leveraging existing ones without new major developments. The selection of the possible options has been based on complementary approaches: an impact assessment based on key criteria that could favor the take-up of an option; interviews and workshops with the industry; in-depth analysis of possible configurations (building-blocks) for the options and their impact on the market and the society/citizens.

### Three ways to go, one sketched out in greater detail

Based on stakeholder input and on the study consortium's analysis, three ways of content sharing are therefore recommended:

- Tooling/formatting + Building Blocks, which could be developed soon
- B2B2C broadcasting, which is already under way
- and, last but not least the more novel ways: the Agency Syndication Model.

The three ways are compatible, possibly re-enforcing. The third one, the Agency Syndication Model, requires the most rethinking and innovation. It is therefore detailed more, here in the summary, and in the report underpinned by some quantitative modelling.

The analysis concluded that top options (in green on the figure above) include:

- In Tooling /Formatting + building blocks, there is no creation of a European sharing platform for news, just a series of initiatives with tools and/or training to mutualize costs. This option enjoys the best scores on tech cost savings and innovation (processes and new formats). In this way, news media companies (press or broadcast) leverage the tools provided by Gatekeepers and Tech Giants or by current and future EU R&D and training programs to streamline their production process and create new formats. Possibly, they can also leverage ad tools and/or solutions favouring citizen's engagement with the content. Some missing or critical tech tools are developed separately and mutualised between (some) news publishers. Moreover, some additional training / support for digital transition might be needed.
- In the B2B2C broadcasters option, where, beyond first mutualizing their news exchange through a B2B platform, European broadcasters pick and select content (text, video) according to their respective or shared editorial needs, targeting the end user through their own consumer destination services. Public service broadcasters and potentially private media groups can be involved. This option is already well advanced under EBU initiatives, with only Public service broadcasters so far, concretised in July 2021 with the launch of "A European Perspective". This collaboration has a clear leadership, brings higher content circulation up to the end user and preserves EU Sovereignty.
- Both the Agency syndication and the Agency & journalists syndication models generate the most positive impacts. This is in particular true for the possible economic impacts for the news industry (cost optimization and revenues for content sharing) and for the ability to find a leader (News Agencies) and to cooperate. In this option, news agencies also syndicate content from news media and/or open syndication players. Under this model, a new marketplace would be created as agencies would act two ways with news media partners (licensing in and out). The Agency & journalists syndication model goes beyond: it also opens-up a marketplace for individual journalists and freelancers to syndicate their content via agencies.

Alternative options (either less innovative or much complex to operate) are the following:

- B2B2C news marketplace (similar to the B2B2C model presented below for broadcasters) is facing major challenges regarding the leadership to develop such an approach with stakeholders still focused heavily on their brands. The development of a B2C component would require additional investments from news publishers. At this stage expected revenues from such end-user component would not justify the investment needed by news publishers.
- In Journalist-publisher marketplace, content posted by journalists would not be directed to one specific publisher, but to a whole community of publishers. It is often presented as the future but requires a clear leader for operations and an advanced decentralization approach that is complex to establish with the current unstable business models of news. Developing at large scale will remain a challenge. However, it could be an add-on to the Agency Syndication Model, in a second stage leveraging its distribution strength.

Several options were excluded, based not chiefly on attractiveness but on feasibility. Indeed some options that may seem politically attractive would require very large resources plus major commitments from European media, both of which are limited.

Options not retained include:

- B2C based on Whitelabel
- Gatekeeper integration with content
- Vertical ad sponsored news
- Gatekeeper services with fair compensation

Finally, a "European Google News" would be the holy grail with a European platform for news delivering quality news content to many EU Citizen. But the steps are too high in terms of investments needed, willingness of stakeholders to take the risk of such a journey, where "coopetition" would be the rule. Risks are high and chance of success facing the Gatekeepers' competition is low.

### **Agency Syndication model as a short-term opportunity**

Press agencies possess the greatest media distribution channels, so far used in one direction: from agencies to media chiefly for one type of content: agency news ready for republication or adaptation. New content and formats already started to appear on these channels. In addition, the main idea is to use the channels also in reverse: feeding media content from the media to agencies, and then onward to other media. Notably “cold” items (excluding domestic politics), which can “travel” to other countries, ready for adaptation. Some agencies will be reluctant to host “competing” content from their clients. Others will understand that, if they don’t do it, the gatekeepers will soon play this role, moving from feeding consumers to feeding other media.

Building on syndication between agencies and their media clients, is feasible if prerequisites are fulfilled. Optionally, the model would extend to a marketplace for individual journalists, including free-lancers.

The first prerequisite to achieve is the right dimensioning of the platform, including a minimum number of active partners and a minimum volume of content shared. The selected content is made available to a separate independent platform “(Agency syndication platform)”, without creating a new “European new agency”. This content is licensed to existing agency clients as additional items as well as to further new clients (corporate, news industry outside EU, etc.). Focus is not put on “hot” domestic or new wires, but rather on premium cold content like deeper features (on a few good themes, e.g. EU affairs, Digital, health, which “travel” well), or on investigations (extending the reach beyond investigative media). The model relies on existing content and distribution channels across borders.

In order to address the potential profitability for an Agency Syndication Platform, the consortium modelled a conceptual platform. Assumptions are based on industry interviews and interactions, experts’ knowledge and additional desk research. Related costs and revenues have been simulated. Based on our assumptions, the economic simulation shows that a breakeven is achievable 3 years after launch. Over a 3 years’ period, revenues generated by the overall ecosystem could reach 26.7 million EUR, shared between the new Agency Syndication platform (around 20% of revenues), news media sources (around 20%) and news agencies (60%).

### **Next steps for implementation for the Agency Syndication model**

Concerning options for governance, the Agency Syndication Platform should operate as a stand-alone legal entity under its own branding. Following a preparation phase starting end of 2021, the platform might be operational by 2023. Next steps include clarifying EU support, building alliances around the project, followed by the set-up of the legal entity of the platform as well as its branding. A dedicated management team would have to be recruited. Finally, the technical and operational part of the platform would have to be secured. The launch of the platform could then, in 2023, be envisaged. Alliance building will be key. Indeed, the main risk factor for the success of the platform would be lack of agreement between the possible partners, strategically and/or economically. This risk could be mitigated by subsequent and regular communication around the benefits of such a platform for citizens, pluralism and the media ecosystem.

The study stressed the importance of wide media stakeholder involvement (to maximise beneficiaries and prompt alliance building), differences between segments of the media sector (formats, revenue models and even cultures), and synergies between content and data sharing (to maximise revenue generation). This could speak for future calls aimed at integrated content & data platforms, helping the transformation of specific media subsegments, while sharing some building blocks and standards across the whole sector.