

## EDITORIAL

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### ABSTRACT

*This articles serves as editorial introduction to the Journal of Digital Media and Policy's Special Issue on 'US-Based SVoD Providers in Europe: Impacts and Challenges'. It starts by a reminder of the importance taken by US-based SVOD in Europe, and their ambiguous impact. On the one hand, they play a key role in terms of audio-visual creativity and innovation. On the other hand, they have been at the centre of many policy debates regarding notably their impact on the production and consumption of European content. The objective of the Special Issue is to analyse such impact using various empirical approaches and comparative analyses. This is done via five articles, two short commentaries and three book reviews, which are briefly presented in the end of this editorial introduction.*

### KEYWORDS

AVMSD  
VoD  
PSM  
audio-visual policy  
audio-visual sector  
media economics  
Netflix

Audio-visual production, distribution and consumption have experienced remarkable changes over the past few years, following the growth of the global market for video-on-demand (VoD). According to Statista, so-called over-the-top TV and video revenue worldwide is expected to reach 235 billion US dollars by 2028 which is nearly double the figure reported in 2021 (83.34 billion had been generated in 2019) (Statista 2023). Among the most popular and rapidly expanding of these services are subscription video-on-demand (SVoD) services. According to the same source, the gross number of SVoD subscriptions worldwide amounted to 904 million in 2020 and is expected to reach nearly 1.7 billion by 2027 (Statista 2023).

In Europe, where SVoD subscriptions tripled between 2017 and 2020 according to Ampere Analysis, the growth has been ascribed to the rapid expansion and the current domination of US-based SVoD service providers like Netflix or Prime Video. Launched from 2012 on, they have been putting pressure on European markets and regulators, as their reach and their user/subscription base expanded rapidly (Arthofer et al. 2016; Schneeberger 2018). Despite the growing number of European companies offering SVoD services, this audio-visual market segment is the most concentrated in Europe (Ene 2023). The entrance of US-based or backed players, such as Apple TV+ in 2019 or Disney+ in 2020, confirmed the key status of this type of service. Furthermore, services created in the US market keep on penetrating Europe: Paramount+ (formerly CBS All Access across the Atlantic) has expanded since 2021 to most countries, either as a stand-alone brand or via Sky platforms; whereas Discovery+, which replaced Dplay and Eurosport Player services in Europe in early 2021, has ended up affecting HBO Max's strategy (to be rebranded simply Max in 2023) following the creation of Warner Bros. Discovery, Inc. in April 2022.

The impact of US-based SVoD providers in Europe is ambiguous. On the one hand, they have been linked to an increase in the number of audio-visual works available in the European markets (Iordache 2021) and the reinforcement of more flexible ways of audio-visual consumption (Marrazzo 2020). In a related way, they have been deemed to be at the forefront of creativity and innovation (Neira 2020) and responsible for a good deal of European fiction commissioning (Fontaine 2023). On the other hand, they have also been at the centre of many policy debates (Ranaivoson 2019). Some of the most critical questions regarding their role have been related to the non-transparent impact of their recommender systems on the content displayed to their users (Ranaivoson 2020) as well as to discoverability issues (García Leiva 2021); to the relative scarcity of local works compared to the abundance of programming originating in the United States (Albornoz and García Leiva 2022); to the unequal conditions in which traditional media companies must face competition from transnational providers or to non-compliance with obligations ranging from taxes to the promotion of European works (García Leiva and Albornoz 2021). European audio-visual markets remain highly fragmented (Ranaivoson et al. 2023), as a result, US-based SVoD's impact and role vary across Europe.

This Special Issue seeks to highlight the numerous issues arising from the activities of US-based SVoD service providers and their economic, policy and sociocultural impacts in Europe. Launched in April 2022, the call for abstracts aimed to bring together scholars working in the communication, law, economics and technology fields, who were invited to address issues such as: the role of these players in the diversity of content made available, especially in relation to their implementation of recommender systems; their impact on audio-visual production and distribution, and their relationships developed with other industry players in local markets; their effect on consumption and reception practices or, in a more general view, the implications of their presence for future regulatory frameworks and policy decisions or for the development of a European audio-visual space.

In a way or another, the five articles hereby introduced touch upon these issues; notably the impact of US-based SVoD service providers at the market level for legacy media as well as for new domestic online players: from producers to distributors, public service media, screen agencies and local

VoD providers. While big European markets (France, the United Kingdom) are not forgotten, some articles also consider the perspective of small EU markets (Raats et al. 2016) like Norway or Flanders (Belgium). The articles also highlight the strategies of understudied actors. Based on various empirical approaches, their case studies and comparative analyses (between SVoD services and between countries) allow to better understand how they impact European markets and industries. The two short commentaries give a broader political and legal view. The book reviews complement the approach and possibly suggest further reading.

Beginning with SVoD's impact on traditional players, Gillian Doyle (University of Glasgow) analyses the challenges faced by Public Service Media (PSM) taking the UK experience as a point of departure. She shows that the rise of global streamers has both accentuated and altered the ways in which PSM deliver public value. While SVoD's growth means wider circulation for diverse content drawn from a variety of international sources, the author argues that PSM should be re-positioned as elements of critical media infrastructure.

In line with this idea of change and continuity, Caitriona Noonan (Cardiff University) investigates the relationship between SVoD service providers and national screen agencies. Using interviews with agency executives in several small nations (Belgium, Croatia, Denmark, Ireland [Republic], Northern Ireland, Scotland, Wales), the author highlights the non-regulatory mediations by policy actors attempting to secure more return from SVoD services through discourses of protectionism, fair competition and sustainability. With different power dynamics, such a relationship is described as instrumental and political for both actors.

When the response of industry stakeholders like producers and distributors to the presence of global SVoD service providers in their markets is considered, a complex picture emerges. The contribution of Gaël Stephan, Joëlle Farchy (Paris 1 Panthéon-Sorbonne) and Jaercio da Silva (Paris 2 Panthéon-Assas) describes how the relationship between French producers and online players (SVoD and also traditional media's online services) is reconfiguring the producers' professional identity. This is related to the emergence of two different market segments: one organized around US-based SVoD, where producers are financially well-equipped but give up their full independence; another revolving around players from the competitive fringe, where producers maintain their independence at the cost of limited resources allocation.

Marius Øfsti (Aarhus Universitet) takes Norway as case to examine how film distributors have responded to the challenge brought about by the expansion of global SVoD services: the loss of revenue, the reduced access to foreign movies and the fact that high-risk local movies have seen an increase of their relative value. These distributors' strategy has consisted in becoming increasingly first run distributors for local movies at the expense of being sub-distributors for foreign movies. Vertical integration has also been a solution for major local distributors.

Last, but not least, Catalina Iordache, Tim Raats, Michael Pakvis and Axelle Asmar (imec-SMIT, Vrije Universiteit Brussel), present the findings of a catalogue analysis conducted in Flanders (Belgium) to reveal the content strategies of the eight most popular local and US-based VoD services in the market. The comparison allows them to explain that both types of players are competing but also collaborating to create a jigsaw puzzle of on-demand offerings.

Flemish legacy players use a range of strategies towards US-based SVoDs including differentiation, diversification/mimicry, collaboration, complacency and resistance.

The issue also features two short commentaries. In the first, Antonios Vlassis (Université de Liège) wonders about the potential diffusion of the Audiovisual Media Services Directive (AVMSD) provisions in Australia, Mexico, South Africa and Canada. He argues that the 2018 revision has changed the framework of possibilities for several public authorities in the audio-visual sector across the world. Svitlana Buriak's (Universiteit van Amsterdam) piece, touching upon a topic rarely discussed, highlights the obstacles that the film levy, as a form of financial contributions on VoD providers under the AVMSD, may face in a cross-border context from an international tax perspective.

US-based SVoD providers have been active in Europe for hardly more than ten years. Their growth and their domination of the audio-visual markets renew some long-established debates and such SVoD providers' impacts need to be analysed in conjunction with other ongoing trends in the European audio-visual markets. We hope this collection contributes to such analysis and that the reader finds it interesting as well as thought-provoking.

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