Gatekeepers in the Audiovisual Sector: Regulatory and Competition-related Aspects

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Competition and Gatekeepers

- standard economic theory: effective competition should prevent gatekeeping power
- most digital gatekeepers dominate their markets
  - Google Search Engine
  - mobile app stores: App Store and Google Play
  - Facebook/Instagram/WhatsApp social networks (… but TikTok?)
  - Amazon Marketplace (… but what exactly is dominance?)
  - Video on Demand (VoD) $\rightarrow$ lots of competition …
Competition in the VoD Market

• Video on Demand (VoD) → lots of competition …

• … between S-VoD services (Netflix, AmazonPrime, Disney+, Hulu, Joyn, DAZN, HBO Max, etc. pp.)

• … with A-VoD services (like Google’s YouTube) \textit{(empirical evidence: Budzinski et al. 2020)}

• … with “linear” television.

• \textit{So, no gatekeeper issues here?}
Potential Competition Problems in the VoD Market

- Elements of Gatekeeper Effects in VoD?
  - network effects (platforms)-checkbox?
  - data-based business models and advantages of size?
  - one-stop shopping and the burden of managing multiple subscriptions
  - vertical integration (At&T Time Warner, Disney, upstream endeavors of Netflix and co, etc.)
VoD Gatekeepers

• Gatekeeper Effects in VoD
• The combination of vertical integration and algorithmic search and recommendation systems may lead to
  • … foreclosure (no access for fringe content producers, etc.)
  • … self-preferencing (steering the audience towards own/related contents)
• modern economic theory
  • “traditional” market dominance not necessary; size is sufficient!
  • ORAM: outstanding relevance across markets (within an ecosystem) sufficient!
• Conclusion: Big and vertically integrated players can be gatekeepers without dominating the market!
Research


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