

How digital predators have spawned new broadcast business models

Broadcast television networks are being disrupted by digital predators which are changing the industry to the extent of creating new business models and new media titans. This is according to presentations delivered on the first day of AfricaCom at the TV Connect Africa conference stream.

 By Louise Marsland 7 Nov 2017



John Momoh. Credit: Channels TV.

This is the 20th anniversary of AfricaCom, one of the largest events on the African continent: 18 conference streams under one banner dealing with technology and business on the African continent. It opened in Cape Town today at the newly opened Cape Town International Convention Centre (CTICC) extension and special Technology Arena.

John Momoh, chairman and CEO of Channels TV, Nigeria, and a pioneer of private broadcasting in Nigeria delivered the keynote address at the opening of TV Connect Africa, which aims to grow the business of broadcasting in Africa. He discussed how television broadcast business models were changing rapidly as technology evolved and consumers demanded instant gratification of content.

Threats to broadcasters

One of the biggest threats to the television market is the rise of Netflix and VOD (video on demand). Momoh cited a BBC presentation that predicted that television will lose about 500 million pounds in spend over the next 10 years due to VOD.

The other headline threat is fake news, which is meddling with real news distribution and consumption and creating an online fake news bubble and an alternate reality, said Momoh.

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“The industry is faced with radical change, disruption, disarray, a rearranging of the way we do our business... Suddenly new markets are created with new sets of values that threaten existing markets. Streaming video is changing every single relationship in the entire value chain.”

New business model

The new media titans are Amazon Prime, Netflix, Hulu and Google, Momoh pointed out. “The days when rights holders only rely on broadcast networks to deliver content to their audiences, is fast fading. Disruptive is a wake-up call. If you can’t smell the coffee, I can. A new business model has birthed.”

And these “digital predators” are now jockeying with one another to obtain various global television rights, particularly sporting rights, which was the domain of traditional media networks and television companies.

“The rise of Netflix and streaming video will directly threaten the broadcast media,” Momoh emphasised.

In the aftermath of Trump’s election and Brexit, the media has also found itself in a quandary. Politicians are now having a field day, lambasting journalists for false reportage. This is not a good time for journalism either, Momoh pointed out.

“Fake news content is now reported to generate more user interaction than real journalism. The broadcast now faces the endemic challenge of some producers who produce content that does not meet standards of journalism, which is to: educate, inform, entertain. All in a drive to wrongly influence society. Much of this is responsible for the fake news phenomenon, which is now a thriving sub-sector of our industry. While we battle to deal with this scourge, we are still dealing with copyright and other issues.

“Let us build a critical mass against unprofessional practice. Let us put a sanctioning process and a vetting system that fact checks the quality of material.”

Momoh said broadcasters needed to be very proactive to increase opportunities and reexamine their methods and explore new ways of doing business.

“I hope Africa will take centre stage. Africa needs a clear development agenda with practical solutions for development of its broadcast architecture and systems. Media in Africa holds great potency to change the current narrative of the continent.”

‘Service is now king, not content’

“ “Service is king”, not content - John Momoh, [@ChannelsTV](#) CEO #Nigeria #AfricaCom #TVConnectAfrica pic.twitter.com/Xogvayagq— Louise Marsland (@Louise_Marsland) November 8, 2017 ”

“We mustn’t lose sight of the fact that there is a new scramble for Africa. The first time was for the partition of the continent. The scramble this time is for content. Are we going to allow history to repeat itself? Drop that ‘For Sale’ mentality – we must now own our own content,” encouraged Momoh... “Service is now king, not content.”

He added: “Technology has afforded us an opportunity to play in this arena. We should encourage and support our youth to develop applications to allow us to be in control of the content we produce, and also its distribution.”

The media will thrive when there is a good commercial plan behind it, he said. “Technology is helping us share resources. We can be more effective if we see partnerships as progress. We can achieve the same in co-productions and talent development.”

ABOUT LOUISE MARSLAND

Louise Burgers (previously Marsland) is Founder/Content Director: SOURCE Content Marketing Agency. Louise is a Writer, Publisher, Editor, Content Strategist, Content/Media Trainer. She has written about consumer trends, brands, branding, media, marketing and the advertising communications industry in SA and across Africa, for over 20 years, notably, as previous Africa Editor: Bizcommunity.com; Editor: Bizcommunity Media/Marketing SA; Editor-in-Chief: AdVantage magazine; Editor: Marketing Mx magazine; Editor: Progressive Retailing magazine; Editor: BusinessBrief magazine; Editor: FMCG Files newsletter. Web: www.sourceagency.co.za.
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