Webcasting Worldwide

Business Models of an Emerging Global Medium

Edited by
Louisa S. Ha
Richard J. Ganahl III
WEBCASTING WORLDWIDE

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WEBCASTING MARKET ENVIRONMENT

Media Industry Structure

The media industry in Spain started relatively late in comparison with the main European countries. In 1975, after nearly forty years of dictatorship the country started its way to democracy. During those years, the government had a strict control over the media by means of censorship as well as restrictions to the creation of new media. Nevertheless, in a few years, Spain, which accounts for a population of almost 45 million, of population has become in a very active market following very similar tendencies to the rest of the countries in Europe.

Since webcasters are still small players in the Spanish media market, it is worthwhile to consider the environment in which they operate, bearing in mind the nature of the major webcasters. According to our study on the top ten webcasters in Spain, six have an audiovisual off line version (mainly television channels), and five belong to the main multimedia groups in Spain.

In that sense, the liberalization of the audiovisual and telecommunications sector on one hand, and the development of multimedia groups on the other, work as the main forces that drive the market.
THE DEVELOPMENT OF THE SPANISH MULTIMEDIA GROUPS

In the last decade, there has been a strong tendency towards media concentration in the Spanish media market. Mergers and acquisitions have proliferated in these years while established media groups entered into the new media market (Sánchez-Tabernero & Carvajal, 2002). Among the main multimedia groups (multimedia being those groups which own both print and audiovisual media), we will briefly describe the top three groups.

PRISA is the biggest media group in Spain. When Canal Plus, a pay TV channel, was launched in 1990, PRISA was one of the shareholders and owned 25% of the company. Thus, PRISA (which owned the national leader newspaper, El País, and one of the main radio stations, SER) started its activities in the television industry, and is now making an attempt to become a powerful multimedia group. In 1997, Sogecable became the audiovisual division of PRISA, and all the audiovisual affiliated companies were associated under the name of Sogecable. Now, PRISA has a specific unit for the creation and development of content in digital formats, Prisacom. One of the top ten webcasters, los40.com belongs to this business unit (www.prisa.es).

In the last few years Vocento has become the second significant multimedia group in Spain. This group started as a strong regional press group (Correo Group), merged with one of the main national newspapers, ABC, and slowly entered the audiovisual arena. At first, it became shareholder of Telecinco (1996), one of the private television channels. Then Vocento increased its participation in audiovisual production companies, such as Boca or Europroducciones. Moreover, Vocento started the first audiovisual news agency, Atlas, which accounts among the top ten webcasters. Vocento has hence a strong presence in the webcasting market (www.vocento.es).

Finally, Planeta, also originally a publishing group, recently started its activities in media, by acquiring Antena 3 in April 2003, thus becoming one of the main multimedia groups in a short time. Among its main companies, Planeta owns the national daily La Razón, the audiovisual production company DeAPlaneta, and one of the top 10 webcasters antena3tv.com, the online version of Antena 3 Television. There is also a Spanish webcaster under the name www.planetatv.com, but it does not belong to the publishing group. It's just a coincidence that it bears the group's name in its URL.

In order to clarify the position of these groups, Table 8–1 shows the main newspapers groups, radio and television stations in terms of market share or audience.

In sum, multimedia groups are also leaders in the webcasting market. However, due to the nature of webcasting, some webcasters target a specific audience.
### TABLE 8-1

<table>
<thead>
<tr>
<th>MEDIA GROUP</th>
<th>PRESS (Percentage)</th>
<th>RADIO (Audience)</th>
<th>TELEVISION (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRISA</td>
<td>El País</td>
<td>SER</td>
<td>5,387,000</td>
</tr>
<tr>
<td>VOCENTO</td>
<td>Vocento*</td>
<td>COPE</td>
<td>1,943,000</td>
</tr>
<tr>
<td>PLANETA</td>
<td>La Razón</td>
<td>Onda Cero</td>
<td>2,245,000</td>
</tr>
</tbody>
</table>

* Under this name all the regional newspapers belonging to Vocento are considered.

*Source:* Audit Bureau Circulation (OJD), General Media Survey EGM, and SOFRES, the Spanish Television Rating Service.

In which larger groups do not have interests, as we will discuss later. Some examples of such niche webcasters are [www.accine.com](http://www.accine.com) and [www.spotstv.com](http://www.spotstv.com).

**LIBERALIZATION AND PRIVATIZATION OF COMMUNICATION INDUSTRIES**

The television landscape in Spain underwent a complete transformation during the last decade of the 20th century. Until then, there was no television market as such, since the public television service was the only provider (Artiero, Herrero, & Sánchez-Taberner, 2005). Between 1990 and 2000, it went from a system of public television monopoly (TVE) to a system of coexistence between public and private initiatives, with the introduction of private television channels (Telecinco, Antena3 and Canal Plus) in 1990 (Private Television Law 10, 1988). Among these three new channels, Canal Plus—partially owned by Canal Plus France—took the first step towards pay television in Spain (Álvarez Monzoncillo, 1997). All them were terrestrial channels, since cable and satellite television started developing at the end of the nineties, as a result of the legislation.

During this opening-up process, a series of political and managerial decisions were taken, which, in theory, turned the Spanish market into one of the most active in Europe. Moreover, the actual starting signal to the competitive pay television occurred within the last three years of the twentieth century. At the same time, a fundamental expansion to different distribution systems took place, mainly cable television and satellite television (Satellite Telecommunications Law 37, 1995; Cable Telecommunications Law 42, 1995). Due to the late development of cable and satellite television, the new services launched at the end of the nineties were already using digital technology. Thus cable and satellite television services started digital transmission in Spain from their inception.
Digital television was introduced in 1997 with the launch of the first television platform by satellite. The first pay television offers that arose in this new context came as a result of the regulations that enabled competition in the pay television market. It should not be ignored that the new pay television platforms emerged within a different technological context which is characterized by the advance of digital technology. In this sense, any new pay television channel was both a consequence of the liberalization of the distribution sector in which it operated as well as an effect of the development of digital technology, which made possible a multi-channel supply service coupled with a better quality of reception. Consequently, there appears to be a close relation between the development of pay television and the implementation of digital television (Brown & Picard, 2005).

In January 1997, the platform of digital television by satellite Sogecable (a company belonging Canal Plus) began its broadcasts under the commercial name of Canal Satélite Digital, and counted on Canal Plus as the driving force for its service supply (Alonso, 1999). Via Digital, the digital television platform led by Telefónica, was the direct competitor of Canal Satélite Digital and started its service in September 1997. The legal battles that both platforms faced, in which the European legislation took part, represent an intricate number of technological difficulties as well as the political interests involved. Therefore, unlike pay television, which arose protected by a monopoly, the digital television by satellite burst directly into a competition environment (Herrero, 2003).

The slow development of cable and the failure of the first experience of digital terrestrial television (a pay television channel called Quiero TV) enabled satellite service providers to be the main competitors for the broadcasting rights of contents. In this way, it was hardly surprising that Canal Satélite Digital and Via Digital announced their decision to merge in May 2002 under the commercial name of Digital+. The digital satellite market is now a monopoly.

Before considering the cable sector, digital terrestrial television started as fast as it did in other European countries, such as the United Kingdom. The intention of implementing DTT, which involved fewer distribution problems than cable or satellite, led the government to support directly the initiative of Retevisión under the brandname of Quiero TV. Digital terrestrial television started therefore under a pay model, and favored by the government. Quiero TV stopped broadcasting after two years of substantial losses, following the same path as ON digital, the British DTT platform (Brown & Picard, 2005).

Since coaxial cable was hardly implemented in Spain, when the government allowed cable providers to expand their businesses in the middle of the nineties, they started using optical fiber, making use of all the benefits of digital technology. In fact the cable offer was, from the very beginning, a multi-service integrated offer, as cable providers could serve their subscribers with telephone, multi-channel television, and internet access.
Nevertheless, the legislation did not allow big groups to operate in the cable market, and the market structure was very much a regional one, although ONO and AUNA were positioning themselves as the main cable providers. This made difficult for the cable providers to negotiate film and sport rights and therefore to build an attractive television scheduling for potential subscribers. Moreover, the construction of infrastructures was very slow, as previously there had not been any cable structures in Spain.

The uncertainty surrounding the development of cable television services in the near future, even admitting its great potential in the medium- and long-term, became more serious with the merger of the two digital satellite platforms. The green light given by the government to this operation, without satisfying the limitations regarding the control they have on key contents for pay television, caused a great discontent among cable companies. In fact, the position of control granted to Sogecable may well slow down the penetration of the digital television supply by cable operators even further.

Assuming that the pay digital distribution by satellite remains in a monopolistic situation, and that after the failure of the main commitment for DTT, the cable still is the only viable and possible competitor, the likelihood of the integration of both leading operators, AUNA and ONO, is increasing. In fact, both have developed their businesses by acquiring smaller providers in different regions since the legislation has become less restrictive in this sense. By the end of July 2005, the acquisition of AUNA by ONO was just pending on the last approval. That means that both together account for the 24.93% of the pay television market as shown in Table 8–2.

With a single digital platform by satellite (Digital +), a single cable operator of national range, and the recent development by Telefónica of audiovisual pay ser-

<table>
<thead>
<tr>
<th>Pay-TV Channel</th>
<th>Distribution</th>
<th>Number of Subscribers</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sogecable (Digital +)</td>
<td>Satellite</td>
<td>2,093,817</td>
<td>65.07%</td>
</tr>
<tr>
<td>ONO</td>
<td>Cable</td>
<td>434,368</td>
<td>13.50%</td>
</tr>
<tr>
<td>AUNA</td>
<td>Cable</td>
<td>367,849</td>
<td>11.43%</td>
</tr>
<tr>
<td>Rest of cable operators</td>
<td>Cable</td>
<td>177,484</td>
<td>5.52%</td>
</tr>
<tr>
<td>Local cable operators</td>
<td>Cable</td>
<td>135,960</td>
<td>4.23%</td>
</tr>
<tr>
<td>Telefónica Cable</td>
<td>Cable</td>
<td>8,388</td>
<td>0.26%</td>
</tr>
</tbody>
</table>

services over the broadband (Imagenio), there is little room left for the last means of
digital provision in the Spanish market: Digital terrestrial television. However, the
government is favoring its development in a regional and local basis. Moreover, all
the terrestrial channels have already fulfilled the commitment of starting the diffu-
sion of digital signal content although there are not still digital television sets in the
market. The government established this requirement in 2000 in order to prepare
the way for the switch from analogue to digital.

Digital providers are now outlining the context in which webcasters operate in
terms of audiovisual content, and in terms of competition. However, webcasters
are not considered as competitors by cable, satellite, and terrestrial digital provid-
ners, but rather as on line versions of the main audiovisual companies, or as new
business units within multimedia groups, as we have seen. Since the switch from
analogue to digital is planned to be in 2008, television companies are very much in-
volved in the process of digitalization as a priority. Therefore, television compa-
nies (either cable, satellite or terrestrial) compete among each other in providing
better digital services whereas webcasters are still behind in this battle both in
terms of competition and in consumers’ perception.

INTERNET USAGE

Internet Penetration

According to the last available data from AIMC (Mass Media Research Associa-
tion), the most reliable source regarding internet usage and penetration in Span-
ish market, in May 2005 the medium reached the 33.6% of the population
(12,451,000). These figures have been growing firmly for the last years (22.5%
in 2002, 26.9% in 2003, 33.1% in 2004). However, according to the same
source, only 19% of the total population stated they had used the internet “yes-
terday,” so regular users were still a small minority.

The Spanish internet user profile is an urban man (60.8%), aged 25–34 (30.6%),
of a middle economic class (41.3%). The access takes places mainly from home
(65.1%), while at work internet usage declines to 32.5%. The World Wide Web
(93.5%) and email (82.7%) are the preferred internet applications, with a huge dif-
ference with regard to the next one, instant messaging, with 34.2% penetration.

According to the last General Media Survey (EGM) study (2005), the penetra-
tion of internet usage is higher among foreigners or immigrants living is Spain than
among Spaniards: 39% of the Latin American people living in Spain are using the
internet. This could explain why planetatv.com, a foreign-owned webcaster cen-
tered in Latin American music and pop culture, has such a strong impact in Spain.

Since home is the main place of access to the internet, the number broadband
connections has risen steadily in the last months. Between April 2004 and April
2005, DSL gained almost one million new users, for what now counts as almost 3 million lines. DSL is the main way to access the internet from home although the cost is slightly higher than in other European countries. DSL is not the only successful technology in the Spanish market: Mobile phones have been the quickest technology to gain market share during the last few years. In 2002, the number of mobile phones exceeded the number of traditional phone lines, and as technology evolves from 2–2.5G to 3G, the market is also increasing.

E-commerce activities have also increased significantly for the last years: B2C activities accounted for a total of $290 million in 2000, and in 2004 it reached $1.837 billion (20% more than the previous year). According to the E-Commerce Spanish Association–E-Commerce and Direct Marketing Spanish Federation (AECE-FECEMD) (2005) study, only 27.8% of internet users are active in e-commerce activities.

Beside these internet penetration and usage data, it must be remembered that according to the last World Economic Forum Global Information Technology Report, 2004/05, Spain occupies the 29th place among the 104 countries listed in the Networked Readiness Index: Despite its high figures and the increasing popularity of the internet and broadband connections, Spain is far away from other European counterparts as Iceland, Finland, Germany, United Kingdom, or France. Only Portugal ranks after Spain (30th place).

The Internet Users Association (AUI) makes some comparisons between internet penetration in Spanish companies and European ones, with the purpose of showing the weakness of the Spanish information society. According to this source, the percentage of Spanish companies with internet access is 84% while in Europe it is up to 88%. PC usage in companies in Spain is 86.5% versus 94% in Europe. Only 33% of the Spanish companies owns a website, while in the rest of Europe this figure is 75%. Six percent of Spanish firms sell through the internet (38% in Europe), and 21% of national companies buy goods and services by this medium as opposed to 50% in Europe. The Spanish Internet Users Association pointed out the high connection costs as the main problem to a faster adoption of internet connections.

The situation of the Spanish Information Society is complex, but the positive side is that the potential growth of the internet in Spain is huge, and there is still room for a double figure increase. The enormous adoption of mobile phones and DSL lines ensure the interest of the Spanish market in new technologies, and consumers are ready to adopt them.

Audience Research and Web Traffic Research Data

As in other countries, the audience and web traffic research data in Spain are directly related to the main revenue source for media sites: Advertising. Advertisers
TABLE 8–3
Evolution of Internet Advertising Expenditure in Spain

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Dollars (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>85.9</td>
</tr>
<tr>
<td>2003</td>
<td>87.7</td>
</tr>
<tr>
<td>2004</td>
<td>114.12</td>
</tr>
</tbody>
</table>

Source: PwC and IAB Study (2005).

TABLE 8–4
Top 10 Webcasters in Spain

<table>
<thead>
<tr>
<th>Webcaster</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accine</td>
<td><a href="http://www.accine.com">www.accine.com</a></td>
</tr>
<tr>
<td>Los 40</td>
<td><a href="http://www.los40.com">www.los40.com</a></td>
</tr>
<tr>
<td>3 a la carta</td>
<td><a href="http://www.3alacarta.com">www.3alacarta.com</a></td>
</tr>
<tr>
<td>Atlas News</td>
<td><a href="http://www.atlas-news.com">www.atlas-news.com</a></td>
</tr>
<tr>
<td>Antena3tv</td>
<td><a href="http://www.antena3tv.com">www.antena3tv.com</a></td>
</tr>
<tr>
<td>Spotstv</td>
<td><a href="http://www.spotstv.com">www.spotstv.com</a></td>
</tr>
<tr>
<td>Planetatv</td>
<td><a href="http://www.planetatv.com">www.planetatv.com</a></td>
</tr>
<tr>
<td>Ono</td>
<td><a href="http://www.ono.com">www.ono.com</a></td>
</tr>
<tr>
<td>Salud Multimedia (Multimedia Health)</td>
<td><a href="http://www.saludmultimedia.com">www.saludmultimedia.com</a></td>
</tr>
<tr>
<td>Telecinco</td>
<td><a href="http://www.telecinco.com">www.telecinco.com</a></td>
</tr>
</tbody>
</table>

demand information before investing money on the web. According to Infoadex (2005), the unique compulator of advertising expenditure data, in 2004 the internet received only 1% of total advertising expenditures. PricewaterhouseCoopers and the Spanish Chapter of IAB (2005) have offered a closer view of this expenditure as it is showed in Table 8–3. It is still a small medium, but it is has grown firmly the last years, and there exists a common interest in making it as major a medium for advertising as are other traditional media.

There are several sources of data on audience and web traffic in Spain. The AIMC (Mass Media Research Association) publishes the most recognized study on media consumption in this market: The EGM (General Media Survey) is conducted four times a year and provides interesting and updated information about the evolution of media and internet use in Spain. According to this source, between May 2004 and May 2005 the internet gained 450,000 new users. AIMC also conducts a well-known study, *Navegantes en la red*, which in spite of its methodologi-
cal gaps (it is based on a self-selection sample) is considered one of the main sources about users preferences and attitudes about the internet.

Web traffic research is more complex: Media companies rely on the OJD (Audit Bureau of Circulation) as source of information as the offline media to get information about web traffic. The online version of OJD has an important weakness—not all the media related websites are audited by OJD. OJD’s audit includes web platforms as portals, and entertainment sites, and thus offers a varied picture of the traffic.

Nielsen/Net Ratings has developed a system of panels in Spain, based on households. The information emerging from it is very useful but, of course, limited. Advertising agencies and media buying groups develop ad hoc studies, and ad server technology is used to monitor users behavior.

OWNERSHIP AND BUSINESS PERFORMANCE OF LEADING WEBCASTERS

To identify the leading webcasters in Spain, the authors consulted industry and academic experts including Hector Milla, founder of Streaming Strategy S.L., a media consulting company specialized in internet media and digital convergence; Borja Gómez and Manuel Casals, owners of Pulsa TV, a publishing company focused on the interactive digital television market; David Domingo, professor and researcher of internet media at the University Rovira and Virgili; and Pilar Martínez-Costa, professor of digital radio at the University of Navarra. They provided a list of webcasters in accordance with different criteria that bore in mind that Spain is still an emergent market. The results are shown in Table 8–4.

In these results, 40% are pure-play webcasters and 60% are clicks-and-bricks. However, this sample is not representative of the Spanish webcasters as concerns the proportion of pure-plays versus clicks-and-bricks. Nevertheless, as a sector giving its first steps, the experts considered interesting to pay attention to the pure-play models although its market penetration is significantly smaller. They also pointed out the emergence, as in other markets, of ISPs based on DSL services that only recently started offering multimedia services to subscribers. Terra (www.terra.es) is one of the most popular sites in Spain and the third internet service provider. It offers a specific section in the portal with both free and subscription-based broadband multimedia content. The rest of the ISP competitors are also developing similar services for their subscribers, as it is the case of Ya.com (www.ya.com) or Wanadoo (www.wanadoo.es).

The recent development of these new services has led the experts to suggest paying special attention to the main players (clicks-and-bricks) and to some pure-play webcasters offering specialized content. Since the core business of these pure-play webcasters is the webcasting activity itself, it was interesting to analyze
TABLE 8-5
Sources of ISP Earnings

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet Services</td>
<td>89.3%</td>
<td>95.8%</td>
</tr>
<tr>
<td>Internet access</td>
<td>82.5%</td>
<td>81.7%</td>
</tr>
<tr>
<td>Information services</td>
<td>6.8%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Inducted traffic</td>
<td>2.6%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Advertising</td>
<td>2.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>E-commerce</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Other sources</td>
<td>4.7%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>


their performance in making this business profitable. However, for the ISPs the main revenue source comes directly for providing access to internet, as shown in Table 8–5. As DSL subscribers increase, the ISPs will explore new revenue sources including those derived from multimedia content access.

Among the six clicks and bricks webcasters, four of them have parent companies that are publicly listed in the stock market, while the fifth one is planning to go public in two years time and the last one is a regional public service company. The pure-plays belong to small companies, three Spanish owned and one foreign owned.

Media groups own four of the clicks and bricks in the top 10 roster. PRISA is behind loscuarenta.com (the digital counterpart of the leading music radio station in Spain) and also owns a pay television channel in the satellite platform Digital+. It offers pop music and its target is mainly young people. Loscuarenta.com is audited by OJD, and according to the January 2005 data, it has 1,594,643 unique website users.

Vocento controls two webcasters: telecinco.es and atlas-news.com. The first one is the website of the leading television channel we have mentioned earlier. It offers free videos except for adult content which requires sms payment. Short Message System is a payment method by which users send text messages to dedicated commercial numbers; it is exclusively for cell phones and it reaches 79.7% of the population in Spain (Statistics National Institute, 2004). As it for the television audience, its target is a very commercial one and its content strategy supports the most popular television programs with additional content in the web. It is a very active website that incorporate new contents and services frequently. Atlas-news.com is a subscription-based professional streaming news service used by many news websites. There are some free videos, but the majority of its video selection requires payment. Since Vocento has local television
stations around Spain, the Atlas-News website can provide audiovisual material to these channels in a very efficient way.

Planeta is behind Antena3tv.com, using the same content strategy as its competitor telecinco.es. According to OJD in January 2005, it registered 715,205 unique website users. Antena3tv.com offers only free videos with decent full screen quality.

ONO is a telecommunications company offering cable internet access. Its website is video-centered web content with free broadband quality videos (except for adult content video which require payment). After the merger with AUNA, the corporation is planning on going public in 2007. ONO stands as one of the most comprehensive websites available in Spain.

The last click and brick webcaster is 3alacarta.com. It belongs to the Corporació Catalana de Ràdio i Televisió Interactiva (CCRTVi) which is the public media corporation in Catalonia. The website concentrates on video content, offers free low quality videos, and subscription or sms payment for broadband quality videos. According to OJD its audience in January 2005 was 421,283 unique website users.

Regarding the pure-plays, two of them are professionally oriented. Spotstv.com is owned by a domestic company and it is targeted to the advertising sector. It commercializes sports, mainly Spanish ones. Saludmultimedia.com is oriented to health professionals and offers real time conferences and congresses, making the content available for visitors after the events.

The other two webcasters are commercially-oriented. Accine.com offers independent cinema, mainly from Spain and Latin America. Its business model is totally based on direct payment. Planetatv.com is a US based website offering news and video clips about the entertainment world. Although it belongs to an American company, the content is fully in Spanish, targeting Spanish-speaking consumers.

**Spanish Webcasting Business Practice Models**

*Revenue sources used by the leading webcasters.* Among all the possible revenue sources, advertising, sponsorship, e-commerce, pay per use, and subscription are the most used by webcasters. None of the analyzed sites use content syndication with voluntary contributions as a revenue source.

Advertising and sponsorship reaches 90%. This means that all the webcasters in the sample use advertising except www.accine.com, which is a pure-play webcaster and is funded by subscription only. Following the broadcasting market practice, www.3alacarta.com, a site for a public television channel, also uses advertising as a revenue source on the internet. Six of these sites display more than one ad, and five display more than four ads.
E-commerce is the second revenue source for half of the analyzed sites (50%). Nevertheless, none of the webcasters offering e-commerce include its own products or services for sale. They redirect the users in most cases to third-party e-commerce platforms (such as El Corte Inglés in the case of www.los40.com). Regarding the products retailed in these sites, media entertainment related products have the greatest sales, followed by music, DVD collections, etc. Two sites sell other commercial products or services such as travel, online courses, other software, and so on.

Thirdly, pay per use reaches 40% of the sample. For three of the webcasters, it is a secondary source of revenue since it is their way of selling its most exclusive products. Although they could use e-commerce for selling them, they prefer pay per use. Because of the variety of their content, many users could be interested just in specific packs of it, so subscription does not seem to be the best option for them. The amount they charge goes from $1 to $4. As for the methods, only one uses credit cards or other online payment systems. The others use SMS systems for payments. In both cases, an ISP webcast service provider collects the money.

Only 30% of the webcasters offer users the choice of a subscription plan. Only two, atlas-news.com and spotstv.com are professionally oriented. It has not been possible to obtain the subscription fee for atlas-news.com. spotstv.com charges a monthly fee of $24.80. The non-professional site, planetav.com, charges $9.95 per month. The monies are collected directly by credit card.

Finally, spotstv.com belongs to an affiliation program that redirects the users interested in music to a third platform where they can purchase songs.

Program genres. Before consider the sources of content, Table 8–6 shows the video program genres available on the sites. Neither blockbuster movies nor religious content are provided by these webcasters. All of them offer video content, whereas 60% also offer audio content. Pop music is the most common audio content. Interactive elements, such as games or chat rooms, are not as common as it could be presumed by the nature of the medium. Only 30% of the sites use interactive games. Chat rooms or message boards are only present in 50% of the sites.

Sources of content. Of the examined websites, 60% of the webcasters rely strictly on original content sources. In one of these cases the content is shown exclusively on the website. The other 50% use only repurposed content. The remaining 10% have a greater variety of content sources, including a combination of original, repurposed, and simulcast.

As for the origin of the content, in 60% of the cases it is exclusively domestic production. In two cases, half of the content is domestic and the other half is foreign. When foreign products are provided, they come either from countries of sim-
TABLE 8–6
Video Program Genres

<table>
<thead>
<tr>
<th>Program Genre</th>
<th>Percentage of Sites Offering the Genre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports</td>
<td>60%</td>
</tr>
<tr>
<td>TV programs and series</td>
<td>50%</td>
</tr>
<tr>
<td>Business news, speech</td>
<td>0</td>
</tr>
<tr>
<td>News</td>
<td>0</td>
</tr>
<tr>
<td>Music videos</td>
<td>0</td>
</tr>
<tr>
<td>Animation or cartoons</td>
<td>40%</td>
</tr>
<tr>
<td>TV commercials</td>
<td>30%</td>
</tr>
<tr>
<td>Trailers</td>
<td>0</td>
</tr>
<tr>
<td>Talk shows</td>
<td>0</td>
</tr>
<tr>
<td>Documentaries</td>
<td>0</td>
</tr>
<tr>
<td>Pornography</td>
<td>0</td>
</tr>
<tr>
<td>Education or instruction</td>
<td>20%</td>
</tr>
<tr>
<td>Classic movies</td>
<td>10%</td>
</tr>
</tbody>
</table>

ilar culture or language (Mexico, Argentina, Peru, Colombia) or from the leading media exporters, mainly the United States and the United Kingdom.

Forty percent of the sites organize their content in channels. There is an enormous diversity with regard to the number of channels, it ranges from 5 to 18. Finally, the average number of shows/video clips is not uniform at all. Saludmultimedia.com has 40 video clips and spotstv.com offers 3,000 clips in one channel.

**File transmission methods.** According to Ha and Ganahl (2004), it is worth analyzing to what extent the file transmission used by webcasters is related to their revenue sources. In the case of Spain, according to the sample, the main transmission method used is on demand streaming (90%). This system enables users to retrieve the content on demand at any convenient time and it does not constitute ownership, because the video or audio streams cannot be stored on the user’s computer system. (Ha et al., 2005).

Although some sites charge for certain kinds of content, 80% of the sites offer the content for free. The use of on demand streaming ensures that ownership is not given to the clients. Only 20% of the sites employ on demand downloading, and they all charge a fee for its use. Moreover, in the case of accine.com this is under-
standable, as they offer full-length movies that are better watched directly from the hard disk. Live streaming and push are seldom used by webcasters (20% each).

**Comparison between pure-plays and clicks-and-bricks webcasters.** The most significant difference between these two sectors is that whereas clicks and bricks webcasters offer general content, pure-plays are highly specialized (except in a single case).

Charging for content is a common practice for pure plays (40% of the sample); they sell their own products and services through the internet as the only distribution channel.

Regarding the webcasters that require registration (50% of the sample), only pure-plays in a great majority (80%) request personal details and contact information. In these cases, the internet is the only way to know and contact the client.

**DISCUSSION**

Webcasting is not a hot topic in the Spanish market as a whole, neither in professional nor academic publications. Only in the last months is the internet gaining more popularity among users. It is still not regarded as a strategic tool by most media companies. Television companies, for example, are more involved nowadays in the digitalization process rather than in exploring internet business opportunities.

The following three reference points can help us to understand the results.

Firstly, even if DSL penetration has recently increased, and the Spanish market is leading European growth, it is necessary to bear in mind that the situation at the starting point was far below the average in other countries. Broadband connections, so necessary for a good quality webcasting experience, still reach too a low percentage of the entire population.

Secondly, there is little culture of pay per content in this market. The first multi-channel pay television service was launched in 1997, and the development of cable television is considerably slow. As for the internet, media companies are still looking for a proper business model that enables them to sell their own content to users. El País, after two years with a subscription system for its on line edition, (it was the only newspaper in Spain charging such a fee), has opened its content up to all users once again in June 2005.

Finally, e-commerce is not a popular activity for users. This is due, among other reasons, to a lack of culture in distance shopping as well as distrust on on line merchants, etc.

These reasons could explain why the major clicks and bricks players offer their contents for free, and why e-commerce operations, when they do exist, are not very significant and not related to the main content of the webcaster. As in the off line world, advertising is the most important funding system for this emerging market.
Nevertheless, the internet does show itself as a good market niche and highly specialized pure-plays may have a promising future in this environment.

REFERENCES


