Abstract:

Digitisation and a range of accompanying innovations enabled Over-The-Top (OTT) platform companies such as Apple, Google, and Amazon to enter the media and communications sector. As a response, the traditional incumbent players built their own wannabe platforms to stay competitive. The sector moved beyond a situation where one or a handful of platforms are active in media and communications markets.

The dissertation argues that by now, systems of platforms with a unique structure, diverging competitive dynamics, and new strategic opportunities driven by the diverging business logic of platform companies evolved, challenging industry stakeholders and regulators alike. This ‘multi-layered platformisation’ can hardly be captured by current theoretical approaches in the field of media economics.

Thus, the dissertation introduces two theoretical frameworks to assess the functioning and regulatory challenges of what the dissertation refers to as multi-layered ‘platform systems’. The first framework (the Platform System (PS) framework) is applied in three industry case studies to investigate the structure, competitive dynamics, and strategic opportunities within platform systems. The second framework (the Value System (VS) framework) is applied in three further policy studies to investigate the European Union (EU)’s current regulatory capacity to deal with these platform systems. The industry analysis reveals the evolution of multi-layered platform systems in the publishing, broadcasting, and mobile multimedia industry. It is shown that a power shift from content aggregators to distributors occurs, which benefits the OTT platforms of the new entrants in the platform system (referred to as ‘inter-layer power shift’).

The new entrants divide the market among themselves (‘opportunistic platform positioning’), while the incumbents engage in resource intensive competition through their positioning (‘rival platform positioning’). In this the OTT platforms make excessive use of advantageous platform-specific strategies and build ‘platform silos’ to manipulate market power within and between industry platform systems. At the same time, the policy analysis makes it apparent that regulators in the EU are lagging behind, still trying
to solve basic questions of platform regulation and thus just merely scratching on the surface of a comprehensive regulation of centres of power in platform systems.

The dissertation projects that a lack of understanding of the functioning of platform systems combined with an unrealistic estimation of the economic potential of European platform players and a laissez-faire approach towards social and cultural objectives could prove to be highly damaging for the media and communications sector in the future.