COMPETITION ON AUDOVISUAL MARKET AND STREAMING PLATFORMS IN ITALY: AN EMPIRICAL ANALYSIS

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Abstract:

Audiovisual business is rapidly changing with the coming of the streaming platform in the market. A significative increasing in competition, clearly coincides with a partial decrease of Sky Italia's dominant position, especially in the pay-TV under segment.

The fast developing of new devices and technological infrastructure and a highly competitive price approach adopted by streaming platforms, together with a constant updating of new programs, surely represent a "digital revolution".

This research is a theoretical treatment of the competitiveness evolution of audiovisual market. At the beginning we have considered necessary a clear identification of the relevant market and a correct evaluation of market power of any single competitor.

Further on we are going to put our attention on different business elements such as product differences, vertical integration and scope economies that have a direct influence on the concentration level.

Going on in the reading of this research, it's going to be clear that extending the theory of digital market to any platform could be superficial. And more, we are going to point out the need of very specific choices by antitrust authority taking in consideration the fast changing of this specific market which must be analyzed in a dynamic competition approach.

Finally, we are going to notice some very interesting evidence concerning the peculiar position of economical international big players which have recently decided to enter in audiovisual business using, and taking advantage, from their strong position in primary markets.

These and other elements are going to be analyzed concerning their possible negative influence in a correct competition approach, proposing some possible solutions too.

Key Words: audiovisual market, streaming platforms, antitrust, competition, economics, dominant position, regulation market, relevant market, market power, market share, product differentiation, vertical integration, economies of scope, scale economies, bundling, predatory prices, level of concentration, winners take all, platforms, Netflix, Amazon Prime Video, Disney+, Dazn, Sky, YouTube, Twitch

INTRODUCTION

Since the beginning and for a long period of time, the audiovisual business in Italy has been strongly influenced by a dominant position of competitor Sky Italia which had itself been quite revolutionary in a market previously controlled by public company RAI and the only private company Mediaset. Sky Italia has been able to keep fast control on about 80% of the market in the pay-TV under segment. However, recent innovation in digital and technical sectors coinciding with coming in of streaming platforms such as Netflix, Amazon Prime Video, Disney+ and Dazn have completely changed the parameters of the market.

The fast spread of these platforms brings us immediately to first need: definition of relevant market. In fact, some platforms such ad YouTube and Twitch seem to be very different from Sky Italia and from other main streaming platforms, but there's no doubt that using specific business models they both must be considered as relevant competitors in consumers' point of view.

Specific digital nature of these new competitors is strictly connected with the idea of competitiveness and the protection of social welfare. This is main debate we are going to analyze in our research.

In chapter I we are going to identify the relevant market, with specific attention of the rule of platforms YouTube and Twitch.

We are then going to analyze the market power of any single competitor taking in consideration possibilities and limits connected with a simple evaluation of market share that doesn't completely explain the concentration in audiovisual market.

For this reason and with the will to better understand the elements influencing the market of competitors, we are going to put attention on product difference, price approach, vertical integration, so called *switching costs* and effects deriving from *multi-homing*, broadcasting network, scale economy and other strategies as *bundling* and predatory prices.

Through our research we are going to see that our market is strongly marked by creative distribution and technical innovation which don't allow a so-called *winners take all* chance. When streaming platforms came overbearingly in the audiovisual market offering to consumers any kind of new proposal, power market of Sky Italia was weakened.

Finally, our attention is going to point the position of international big players, offering different hints for trust authorities that must evaluate the correct competition of the market.

Object of our research is an all-around study of to-day audiovisual market and possible future growth with particular attention on the specificity of the business.

1. DEFINITION OF RELEVANT MARKET

When an authority qualified to control and preserve high level of competitiveness in a market is called to give an opinion concerning specific elements or to evaluate if there are cases of dominant position inside the market itself, they must take in consideration to the following item: “ the economic strength of a single competitor allows it to limit the competitiveness in the relevant market, considering that its power is independent from its competitors, customers and consumers.[…]”.

This said, we think that a relevant market should not only identify a list of similar products according to their characteristics, but a group of products (and geographic areas) which can put limits of competitiveness for new competitors.

For the definition of relevant market, price tests, such as the hypothetical monopolist test (SSNIP test), are normally used. This test calculates the grade of profit in case of small increase in price and uses this result to define the borders of a relevant market.

In a typical digital market such as the audiovisual one, price test is useful, but not complete for the identification of the relevant market.

As soon as we’ll have established a correct definition of relevant market, we’ll understand the power market of any single competitor. In antitrust approach, we can explain the power market as the capability of one competitor to fix prices higher than marginal costs.

If one single competitor can fix higher price to consumers, it is probably in a monopolistic position or at least in such a strong position that normal criteria of competitiveness are not allowed.

To evaluate the power market of a single competitor, it’s necessary to understand which are the abnormal conditions that the antitrust authorities should consider as fair or harmful for competition and otherwise if conditions are the correct result of dynamic competition. There are markets in which a monopolistic position is the consequence of a competitive effort of innovation (*competition on the merits*). However, even this position is not easy to be protected in markets characterized by high dynamism, technical innovation, strategical choices and coming in of new competitors such as the audiovisual business.

We are now going on trying to give a correct definition of relevant market considering the major streaming platforms and even platform using different business models such as YouTube and Twich.

If competitors use different business approach and diversified strategy, a price test is not the correct approach to be used. It can give us first evaluation of substitutability on consumers’ side but cannot be the main methodological instrument of analysis.

To establish the borders in a relevant market, first step is to understand how a product can be interchangeable in consumers’ vision considering not only the service price, but specific characteristics and use of product as well.

We can assume that there is a relevant difference in watching a serial tv on Netflix platform or in using a user-generated content on YouTube. Differences in frequency of vision, day moment and even utilized devices.

We may reasonably think that platforms as Sky, Dazn, Netflix, Amazon Prime Video and Disney+ are mostly used in the evening when the consumer shall watch movie, serial, sport events. On the other side, YouTube products, short and *user-generated*, have more visions during the day.

YouTubers mostly use their smartphones, fast, always available, and interactive. YouTube platform seems to be not replaceable by other streaming platform, considering its special approach and consumers' fidelity.

We shall now consider the substitutability looked by supply side, that is ability of new competitors to offer products more interesting in price and contents then the ones offered by hypothetical monopolist.

We can probably consider competitors as Sky and other streaming platforms as interchangeable. A good example is the coming in the market of football show by platform Amazon Prime Video, which had only recently showed interest in this item of Italian proposal. Historical monopolistic position of Sky together with the growing number of streaming platforms pushed some of them to invest in sport proposal (mostly football) offering better price and diversified contents too.

As always, YouTube's approach is different. With a deeper analysis, we can say that YouTubers are interested to sport and entertainment contents, but main interest is given to items such as news and music. For a correct definition of relevant market and product differentiation we shall consider that in the specific music market, YouTube's competitors are Spotify and Apple Music.

American platform is so different in contents and in business model from platforms as Netflix, Amazon Prime Video or Sky to open a question concerning if they can be considered competitors of the same relevant market. Last but not least, YouTube makes its incomes only with advertising and zero cost for costumers.

A short mention for platform Twitch whose main interest goes to livestreaming gaming. However, we cannot forget that Twitch has recently proposed the Copa del Rey final, a first class Spanish football event, showing an interest in a highly competitive field.

If these situations seem to place YouTube out and Twitch only partially involved in audiovisual relevant market, we should anyway relive:

- YouTube is a strong competitor of Sky in advertising business. The main reason for a strong reduction in advertising raising in broadcasting business is given to the increase of internet world, where YouTube is one of the main characters.

- YouTube competes with other platforms and it's able to keep the attention of customers using a peculiar system of user-generated contents. European Commission has no doubt in recognizing the relevance of *viewers markets*, and the fact that *zero-price* platforms, as YouTube, have an influence on the competitiveness of the sector business.

It seems to be quite difficult to determinate the relevant market according to production and distribution instruments which in audiovisual market are highly different. A binary choice is not possible.

More critical state in the settlement of relevant market

We need to consider other critical states peculiar to digital ecosystem such as:

- In digital market as audiovisual one, we must first understand what the potential market is. The entry of streaming platform Amazon Prime Video shows the great interest of main international companies to invest in a new business even if it doesn't represent its *core business*. Assuming this as true, we must consider the power of these major companies in enormous fund-rasing;
- We shall put our attention on the different products of this sector. If on one side we should consider Dazn as a competitor platform for Netflix because their main goal is taking the consumers' attention, on the other side we cannot forget that they propose very different and probably complementary contents.

Possible solution

Now that we have described the relevant problems connected with the definition of relevant market, we would like to introduce a solution that can help us to finally build correct borders.

In a market with highly differentiation of products, it's necessary to understand which of them can be considered relevant even if they are complementary services too.

To associate products not competitive between them, takes us to identify so called *cluster markets*.

Yet, it is not enough to sell two not competitive products to be identified a company as cluster practising. We must consider other condition such as:

- Many consumers prefer to take the whole basket of products instead that only one (demand side)
- Scope economies make such an approach of selling cheaper for the company rather than selling one single product (supply side).

In first case, consumers wish to receive a movie, sport and other products from one single company. This has been the position of Sky for many years. The company was the distributor of sport, in first place football, movies, news and general entertainment.
Second case is when *clustering* is given by scope economy as the one proposed by Amazon through the *bundle* Amazon Prime, which gives the company the possibility to offer lower price.
The establishing of a *cluster market* could be a useful instrument for a more correct definition of relevant market, especially in digital business where network effects are quite relevant. As we have said, digital platforms as Amazon are going to be highly aided to enter in a secondary market.
Using such an aggregate system can be useful to simplify the approach to different markets, but it has some negativeness too. Company can use information connected to any product but it must not forget that if only one of these products is subject to competitiveness restriction, the whole basket could be under investigation.
Products potentially risky for a correct application of competition rules, should be studied giving great attention to relevant market and connected rules.

2. EVALUATION OF MARKET POWER

We have shown methods and difficulties for a correct definition of relevant market and now our research will approach the market power of any single competitor.
We know that the concept of market power is relevant in the evaluation of possible abuse of dominant position which is the first and only chance for an authority's action.
Most of the times, antitrust commission gives start to an investigation using market share calculated through profit, consumers' spending volume or other quantitative aggregate variables.
On our opinion, such an approach for the evaluation of market power in audiovisual business seems to be superficial, even if it is methodologically complicated.
It's difficult to determinate market power of a single competitor, considering that digital platforms use very different technologies, products, and services. Moreover in presence of high competitiveness and dynamism share market is subject to frequent swing.
For example, in digital market a company may reach a strong market power just with the development of new technologies.
Some of the indicators normally used to establish the power of a single company in a market seem not to fit our case. Marginal costs are most of the time unknown and the possibility given to an international *big player* to come in a secondary market using its financial power allows it to offer prices apparently not profitable.

Some interesting remarks

Reports supplied by some European Community Countries suggest us some interesting remarks useful for an accurate evaluation of market power not strictly connected with the single competitor' share market.

In 2017 the German qualified authority introduces the notion of "relative market power", pointing that in particular situation even small company can assume a dominant share market.

A good example can be Amazon through its service Amazon Prime Video. At the moment it's impossible to know its real share market and apparently the company cannot be considered an obstacle for correct competitiveness. The question is: is this evaluation real considering that using its bundle the platform gives to customers double access to Prime Video and Twitch services?

Answer is no, because such approach doesn't put attention to the enormous power of Amazon in its primary market and the great possibility to raise funds in capital market.

The overwritten research of German commission suggests that in these peculiar markets could be more interesting to investigate on the specific strategical choices of competitors, giving less relevance to share market.

The research puts also attention on the concept of "intermediation power", considering that digital companies have a great possibility of influencing consumers having a relevant access to personal data.

For example, platform Netflix makes strong use of so-called *recommendation* system that can be a potential non-competition practice. The system, through a *self-preferencing* approach, grants a privilege to its own productions giving them a great relief in its graphic interface.

To evaluate the share market is important, but we must remember that there are others elements having great influence in measuring the real market power of a single competitor and therefore the concentration of a business sector.

In our research we are going to put evidence on single competitor's strategy and what kind of influence they have on concentration level. We'll try to give a realistic picture of to-day level of competition and reliable future evolution.

Finally, we are going to analyze how authorities can intervene in protection of correct competitiveness, when and if called to do it.

3. COMPETITIVE EVALUATION OF MAIN STRATEGICAL FACTORS

It’s now time to introduce all the elements that can influence the market power of any single competitor keeping diligent attention on general concentration level in audiovisual market. We are going to approach the analysis from supply side.

Product differentiation

To understand the competition effect that a single company can have on its competitors, the first element we must study is product differentiation.

In audiovisual market we have company as Sky that offer to customers various bundles, using a horizontal diversification. Each bundle has different contents such as entertainment, movie and serial, sport (with particular attention for football).

Netflix’s proposal stakes only on movie and serial, using a vertical diversification strategy which offers to consumers different sets changing in quality vision together with higher price. Future strategy of Netflix is to enter in the videogame market, offering its customers new proposal.

Dazn is at the moment proposing only sport contents, with greatest interest on football having acquired the exclusive rights of Italian Primary League (serie A). Is this a winning choice considering that Champions League rights has been acquired by another competitor?

Disney+ is in a peculiar position proposing movies, stories and heroes already well known by the public, especially young and very young.

Amazon Prime Video proposal is mostly made by cinematographic contents, even if since last season the platform has acquired the rights of Wednesday night football Champions League.

Twitch offers mostly so-called *livestreaming* contents, with main attention on *gaming* world. So said, the platform is now proposing more and more different offers.

We have seen that in streaming platforms market, Amazon make use of a strategy based on low price and products very different from other competitors. It offers a bundle which includes primary access to e-commerce, Amazon Prime Video products and Twitch *livestreaming* contents.

Diversified product has a doubtful effect on market concentration level. On one side, companies that have the possibility to diversify their offer can be quite strong in the market, imposing barriers to entrance of new competitors.

This has been the position of Sky for many years. Company offered many different contents such as movies, serial, general entertainment, national and European football championships, and lot of different sports too.

On the other side, the growing inquiry of diversified products gives change to less powerful companies to take place in market niches.

A good example of product segmentation is the fast growth of Dazn. The British platform has been able to compete with powerful Sky just with a sport proposal and not been involved in any other entertainment program.

It’s clear that this barrier reducing has a positive effect on concentration market level.

And it’s still important to remember how difficult is to give an inclusive definition of audiovisual relevant market.

Price discrimination and market segmentation

Now we need to evaluate how price strategy can influence audiovisual business.

First of all, most companies modify often and fast their price policy following the offer of new products and the choice of other competitors.

One choice can be to offer to consumer a price discrimination with the aim to better profit level.

Netflix offers to its customers a three grades discriminations, three different sets with different qualitative level and different price.

Dazn offered a time preference proposing entrance price of 19,99 euro/month for consumers’ subscription made before July 27, 2021 and price of 29,99 euro/month for later subscription.

It’s not sure if price discrimination is a real benefit for people welfare, especially considering that to-day consumers seem to be quite firm in their choice. Consumers have large possibility to choose the competitor that offer best price, but best products as well.

Vertical integration

We are now going to introduce companies which have made a vertical integration choice.

In audiovisual business, main companies don’t compete only on the bottom of the hill, but on top too. They are not simply broadcast distributors, but they are investing more and more money on producing original movies and serial too.

In 2020, Netflix platform invested over 17 billion dollars in original productions (in 2016 the investment was 6,9 billions), an amount much higher than the one spent by main Hollywood studios. Meanwhile, Amazon Prime Video has closed the purchase of MGM, Metro Goldwyn Mayer, for 8,45 billion dollars, strengthening its own catalogue of original movies.

And let’s talk about Disney+ platform arisen by the will of one of the most important cinema studios, The Walt Disney Company, to enter in a new chain of distribution, having the chance to offer to its customers a reach catalogue of movies with the three trades Disney, Pixar and Marvel.

Vertical integration has a double-face effect on audiovisual market. It could be a barrier for the coming in of new competitors, forcing them in a so-called *foreclosure* effect, with possible negative

spin-off for consumers which could have access to some contest only subscribing with vertical integrated companies. On the other hand, vertical integration cancels the problem of double marginalization giving to the consumer possibility for a lower subscription price and can also guarantee a better innovative approach and more customer's satisfaction.
Qualified authorities seem to believe that vertical integration is not a restrain for a correct competition. Company using this approach must be financially solid and market powerful and these can be protective for consumers too.
Of course, we cannot forget that with vertical integration there is a risk of expansion of so-called *recommendation* system followed by *self-preferencing* actions.

Switching costs

It's now necessary to consider the effects deriving from switching costs. The growing market power of streaming platform has surely reduced the exogenous *switching costs*, cancelling the use of fix device and increasing possibility to leave a platform in favor of a competitor. However, we cannot forget the progressive, intensive use of *Big data* which allows a strong development of *recommendation* systems that directly improves customer's satisfaction, but can later on be considered as endogenous *switching costs,* with negative increase in market power of strongest competitors.
Having possibility of vertical integration and using *self-preferencing* approach, a powerful platform could move consumer's choice to self-produced broadcast with important growth of its marginal profit and may be less protection of general welfare.
All this stated, this seems to be a no-stop process considering the relevant benefits in technological development and considering the high dynamism of audiovisual business.

The so-called multi-homing effect

Audiovisual market is strongly characterized by *multi-homing* effects supporting competitiveness of the sector. Consumers can freely change from one competitor to another without exit costs. This opportunity together with a great horizontal product diversification have a positive influence for the entrance of new competitors in the market.

Scale economy and network effects

Audiovisual and streaming platforms market is characterized by peculiar network effects, scale economy and high fix costs, very common in digital platform business.

Network effects usually increase the scale economy impact and they represent an strong barrier for new entry. Same situation is connected to high fix costs. A good example is given by Dazn platform that could purchase the rights for Italian Football Prime League (Serie A) with an investment of 800 million dollars.

These heavy effects can be lightened with a strong product diversification and in *innovation-driven* markets.

It's clear that if network effects determinate one company success, this is going to be attractive for new competitors, as we have seen for e-commerce giant company Amazon or for first class cinematographic studios Disney.

Same way, in so dynamic markets network effects increase possibility of *switch off* , reducing the power of *big player*.

Scope economy and competitive strategies: bundling and predatory prices

We have said that the market subject of our research is characterized by massive scope economies.

Let's analyze Amazon platform which came in the audiovisual market offering a double service made by Amazon Prime Video and Twitch, typical bundling strategy. At first sight this seems to be very positive for consumer's welfare but looking carefully situation is not so clear. On one hand, the company has the possibility to offer more services at a lower price and this could represent a good opportunity to consolidate its market power to competitors' disadvantage. On other hand, it seems quite difficult to establish the validity of the bundling on the base of a prevision of consumers' preferences.

This is not all. In fact, Amazon's strategy could be seen as an application of predatory prices theory, in disregard of consumers' benefit.

Amazon could assert that it's offering services at a price lower than its marginal costs, however unknown, using its enormous assets and its ability for fund-rising with the undeclared purpose of increasing its market share and to discourage new competitors.

This can be better explained using the *deep pocket* theory. Several business finance studies have used this theory to demonstrate that imperfect financial market mostly reward companies having a larger strategical set up.

It's important to point out that in such market structure, qualified authorities must front serious difficulties to identify a really correct position referring to competitiveness also for the not deep knowledge of competitor companies.

This said, it should be very important that anti-trust authorities could monitor the entrance of international *big players* in secondary, digital markets taking advantage from their financial power. Later on, we'll go back to this item trying to propose some possible solutions.

Dynamic competition

In our research we have seen that in most cases, antitrust authorities make an inside valuation, concentrating only on companies' market share, considering the relevant market.

In digital market, qualified by high dynamism, it seems not appropriate to take market share as the only estimative indicator.

Antitrust authorities have the major task to balance competitiveness efficiency with innovation support for the companies.

If authorities take a strict position, companies could probably be less stimulated to invest in R&S. A more permissive approach is usually appreciated and is an incentive for technological innovation.

Our research clearly shows that the most efficient approach is the so-called reversed U. Companies would compete on a merit base to reach a *winners take all* position. However, this could be a slender result, considering the extreme dynamism of the market which has inside its peculiar characteristics a protection of competion.

These markets seem to be affected by creative destruction skill.

Final remarks on concentration level in audiovisual market

Summarizing all the elements and results acquired with our research, we can now have a quite clear knowledge of concentration level and competitiveness in audiovisual business.

Contemporary literature thinks that digital market of platforms is a *winners take all* system, but on our opinion this approach doesn't fit for streaming platforms and generally talking for audiovisual market.

When they speak of digital and platform market, authorities often use quite a generic definition of relevant market not considering that platforms are so different one from the other that cannot be handled with a like-wise approach, as clearly explained by European Chamber of Commerce vice president, Mr. James Waterworth.

Both Netflix and eBay are platform, but what they have in common? Their business model is completely different and so are their customers, even if they are both subject to network effects.

A *winners take all* market can achieve its balance when number of competitors is ONE. Only in this case dominant company could keep its position simply proposing prices not too high for customer's, but very profitable for itself.

Studying single company power through its market share and observing the relevance of strategical elements, we can state that competitiveness in audiovisual market is in fast, steady growth and it gives good possibility for the coming in of new competitors.

This said, we still have some doubts connected to the strategy of international big players such as Amazon.

On this subject it's interesting to listen new chief of FTC, Mrs. Lina Khan's thought. On her opinion, Amazon is growing using prices lower than its costs and positioning inside highly competitive markets thanks to its powerful financial infrastructure.

On a long period, this situation could have an anti-competitive effect with possible injury for consumer's benefit.

A primary solution could be to have access to business accounting of these main companies which could give a clear idea of real capitalization, but of course they seem to be not so helpful. Big players are mostly American and in USA business laws are very different, and more company protective, than European ones.

Another approach could be to establish a more operative definition of market power including information on capital repayment in connection with low cost of capital raising and in absence of new competitors.

It's interesting that stock market is rewarding digital companies even if they offer services at no profit prices. This situation is probably due to long term expectations for an evolutive business.

Should antitrust authorities take under control this peculiar situation? Or should they think to apply legal restrictions at the entrance of new competitors, so-called *line of business restriction*?

It's clear that at the moment some companies are using the power deriving from their primary business to support investment in secondary market.

Question is if it's correct to impose limits to free market rules. If one competitor doesn't show monopolistic aptitude and position, why should it be limited in its strategy? Typical situation that we have seen analyzing Amazon Prime Video in relation with Twitch platform.

We cannot forget that on the short period this price policy is very positive for consumer's benefit.

In the last year digital market has grown so fast and strongly that one of the main question is if antitrust authorities have well-timed instruments or if they are still using *ex ante* rules, too strict for this business.

European Commission seems to consider not necessary an up-date. Strange approach on our opinion. Audiovisual market is so peculiar and digital platforms so different that the application of *ex ante* rules is not going to give a correct picture of the situation and not able to propone relevant antitrust protection.

Antitrust authorities should point their attention on the presence of barriers for entering of new competitors rather than keep control on market share and single company's power. They should establish new definition and rule of relevant market not forgetting the dynamism of the business.
Particular attention must be given to scale economy strategies, *recommendation systems* and connected *self-preferencing* effects, having care to consider the whole structure of the company inside a well defined relevant market in optic of "related market power".
On our opinion, antitrust authorities should support new entering, low price policy, best product quality and technological innovation rather than to worry about the presence of powerful competitor in the market.

CONCLUSION

In the last year, audiovisual market completely changed its asset, passing from a structure mainly characterized by passive contents and traditional device to current streaming platforms which interact with consumer, always researching different and qualitative perfect contents of high appeal.
Infrastructural innovation has allowed the companies to spread side by side with the developing of wideband and extra wideband and to supply people with better connected mobile devices.
Taking about correct definition of relevant market, we cannot forget some specific skills of platform YouTube. This provider has been in the market for a long time and it's identified for free of charge service and for using *user-generated* contents which guarantee a massive diffusion.
The relevant transfer of advertising revenue from traditional audiovisual business to internet circuit has been an import support for YouTube company.
Position of Twitch platform is specific because it's offering a hybrid service and because it belongs to Amazon group, which gives it different scale economy and fund raising possibility.
We have then seen how hard is to fix a one direction definition of relevant market and how incorrect is to estimate market power only through market share.
In the future, it will be interesting to monitor Amazon Prime Video, which makes use of a particular costs structure and scale economy considering that its main goal is the achievement of new customers for its trading *core business* and considering company's ability for fund raising.
Mostly peculiar is Disney+ platform position. The company takes great advantage from a large number of original, well-known contents, a rich history, a long time presence in *show business*, and the "love" of young and very young audience.

Dazn represent the novelty item in sport contents that for many years have been under control of the referring *benchmark,* Sky. It's going to be interesting to follow the evolution of this specific market target, which is considered strategic from other competitors too.

The war of contents seems to be open in our dynamic market and antitrust authorities must be diligent and fast too.

We can surely state that the coming in of streaming platform gave a positive impulse for maintaining a correct concentration and competition level in audiovisual market.

Sky was controlling Italian market offering diversified, high-quality products, and raising barriers against new competitors. This equilibrium has been broken and now the market is an interesting *work in progress.*

Streaming platforms are a strong push for innovation. They immediately understood how important is to verticalize the production of their own contents for a relevant profit increase. As an example, we can remind Netflix new proposal, *Black Mirror: Bandersnatch* and its interest in videogames market.

Considering the competition elements, we have displayed in detail in our research, we don't expect to have a *winners take all* set in the next future. Only a no-stop technical evolution can guarantee a durable stay in the market.

It seems to be a not reversible process considering the historical interest in show business and the growing interest of new generations too. For young people possibility of connection, sharing of interest, skills, news or even hobbies cannot be given up. It's primary part of their life.

American *major companies* have very clear this situation and they are preparing to enter in the audiovisual business not only for its direct return, but for synergism connected with their *core business*.

For a correct and balanced growing of the business, it's necessary, a duty for qualified authorities to recognize how specific is audiovisual market. It's true that it makes use of digital platforms, but it's not comparable to any other economic sector using the same technology.

In the next future we assume there will be a fantastic set for competition with great consumer's benefit. However, it's important to keep particular attention for the entrance of American big players which can have the power to take over European market, using low-cost capitals and specific scale economy.

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