Communication policy in the age of Facebook

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Pro-poor. Pro-market.

- National communication policy in context
- Why difficult in operational terms?
- Theoretical challenges

Essence of debate in 1970s

- State should control commanding heights of the economy ➔ commanding heights of society?

Today’s policies, strategies and roadmaps

- No longer contentious
- Seek to provide a degree of certainty to the many actors active in the communication space
- Vary in quality

OPERATIONAL CHALLENGES

Convergence

- As television gained attention, newspapers lost readers

- Now it's the turn of TV

  – By 2016, 62 percent of US adults obtained news on social media, and 18 percent did so often ➔ erosion of TV audiences

Sri Lanka (2015 CPA survey)

- In leading Province (42% of economy and around 30% of population)
  - Private television is most popular source of news, followed by Facebook and the Internet/web
  - Facebook is main source of news for 18 - 24 year respondents followed by private television stations and the Internet/web

Myanmar (2016 LIRNEasia survey)

- Primary source of information of 15-65 age group
  - Calls over mobile (15%)
  - TV (9%)
  - Internet (9%)
  - Radio (4%)
  - Newspapers negligible

Examples of expanding scope

- Interconnection of mobile financial services are being addressed by telecom regulators in Kenya
- Health information service delivery included in UK Digital Strategy

THEORETICAL CHALLENGES

Media (broadly defined) are no longer just a segment of the economy. They are at the core of the economy. It is therefore difficult to define the bounds of communication policy, which keep shifting and expanding

Monetizing attention

- 1890s: Joseph Pulitzer develops new business model for newspapers where content is sold below cost and money is made from advertising

- 1930s onward: Radio and TV business model is to give away content for free and make money from advertising

Herbert Simon (1971)

- “Hence a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it.”

All markets require assembly of attention = audiences

- Attention is the precondition for the occurrence of a transaction (an exchange of value) and, thereby, of economic relationships (iterated transactions). Not all aggregations of attention (audiences) are markets, but all markets require the assembly of attention (production of audiences). In the marketing literature, the term “prospect” is used to describe a person likely to become a customer. Prospects are better described as audiences, because attention is central to the success of conversion to customer.

Concepts defined

- An *audience* is defined as persons attending to a specific message. This [definition] stays close to the core meaning of an audience as an auditory collective. . . . The audience does not have to be in the same place or be paying attention at the same time. Those attending to a message need not reach a common understanding, nor does attention have to be efficacious from the communicator's perspective.
- A *meso-audience* is defined as persons likely to attend to a class of messages. A "daypart," a term of art from the television industry, is an example. There is no presumption that all those within a meso-audience will end up in the audiences intended . . .. The more effective the process of producing a meso-audience is, the greater the probability of that outcome. . . .
- A *meta-audience* is defined as that from which meso-audiences and audiences may be produced. Uses such as "the audience for Channel 6" or the "television audience" would fall within this definition. Subscribers to the Internet would be another example. . . .

Puzzle of zero-rating

- “Zero-rated data provision is [not] costless. . . . Some other entity in the Internet value chain bears the costs. . . . The cost of the user’s bandwidth to access the zero-rated content is borne by the MNO, or paid to the MNO by the OTT player, or shared between the MNO and OTT player, depending on how the specific business model is structured.”
- Why?

Adversaries united on ZR

- On most issues, mobile operators and Internet companies are adversaries
  - But not on zero rating: both want freedom to negotiate terms
- Why?

Mobile operator

- Makes sense to give away some content in order to converting voice-only customers to Internet users ➔ bigger meta audience yielding greater revenues ➔ greater negotiating power vis-à-vis producers of meso-audiences and audiences

Internet company

- No direct revenues from users
- More in meso-audience and more data about them ➔ greater revenues from those who produce audiences
- Unlike in main stream media, content is costless, being produced by users ➔ high profits

Roots of tension

- Internet companies trying to reach down into meta-audience level
- Telcos reaching up into meso-audience level

Why are e commerce companies selling below cost?

- Capital dumping?
- Building audiences?