



# **NATIONAL REGULATION VS TRANSNATIONAL PLAYERS AND MARKETS**

## **UNIVERSITÉ PARIS-DAUPHINE**

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## Overview of Bpifrance

**French public bank dedicated to promoting the financing and development of French SMEs**

Bpifrance is a financial company held on a 50/50 basis by the French State and the Caisse des Dépôts.

General interest missions defined by law

Set up on 12th July 2013, Bpifrance results from the mergers of 4 public entities : OSEO, FSI & FSI regions and CDC Entreprises.

## Organisational structure

**Bpifrance is organised around:**

- Two separate primary divisions
- 7 business lines

### Financing division

Business Lines

**Co-Financing**

**Garantee**

**Subsidies & loans**

### Equity Investment division

Business Lines

**Venture Capital**

**Small-caps**

**Mid & Large-caps**

**Funds of Funds**

## Overview of Bpifrance le Lab

Think tank which aims at providing reports and strategic tools to SMEs CEO

Bpifrance le Lab is a think tank dedicated to bridge the gap between academic research and SMEs to enhance

Through the publication of strategic reports towards CEOs, Bpifrance le Lab aims at spreading best practices to enhance day-to-day SMEs business.

Some of our publications :



# The digital transformation of cultural industries

## What does “digital transformation” mean ?

// The digital transformation is the change associated with the application of digital technology in all aspects of human society. //

### Successive steps to complete digital transformation

- 1 Images, sounds, information are converted into data which are easily spread and replicated.
- 2 New digital competitors shake traditional business practices.
- 3 Incumbent companies adapt their business models to cope with these changes.

### 3 levels to understand these evolutions

Company digitalization



Sectors transformation and changes in the competition rules



Societal transformation and mind evolutions



## New digital competitors and consumer 2.0... ... between triggers and consequences of the digital transformation

**New digital disruptors enter the value chain focusing on delivery. They are new intermediaries between incumbent companies and their customers.**



In some industries, they change the organisation of the sector and the competition rules.

### **Their secret tools ?**

- Client-focused services,
- Friendly apps, easy to use and available anywhere, at any time, on any devices,
- Tips and advice in cultural goods.

**Consumption patterns are changing in accordance with new usages triggered by digital**

Possession of good has shifted to on-demand consumption

Hyperconnected consumer uses his smartphone at any moment of his life


He is not silent anymore. He can tell about his consumption experiences on social networks.

Digital tools enable people to create and prototype their own ideas. Creation is not only reserved to professionals.

Customer 2.0 is not passive anymore. He wants to be part of production process.

# Regulatory implications of the digital transformation

## How to regulate collective creation ?



**Open innovation is the new rule to design products. The number of people involved in the creation process is increasing.**



- The established concept of a stable value chain will eventually disappear, to be replaced by a network of relationships among the various constituencies.
- New creative ecosystem architecture is coming.



**Are copyright rules  
still efficient in a  
digital world ?**



Video games and modding practices



Décathlon Création : The Sport Idea Box



Fanfiction, Fanart, music remix, etc.

# Regulatory implications of the digital transformation

## How to fight against piracy ?

**Distribution and consumer access have become “free goods,” rendering ownership much less important than an effective marketing capability.**

- Illegal downloading has led to massive value destruction in some cultural industries. The impacts of these practices are uneven across the sectors.
- Intellectual property used to be an efficient protection to ensure rightholders can license and be paid for the use of their content. However in our digital world, traditional copyrights are not relevant anymore for content distributed online.
- Illegal downloading questions the audiovisual financing system.

**2 different strategies to cope with new consumption trends**



Hadopi



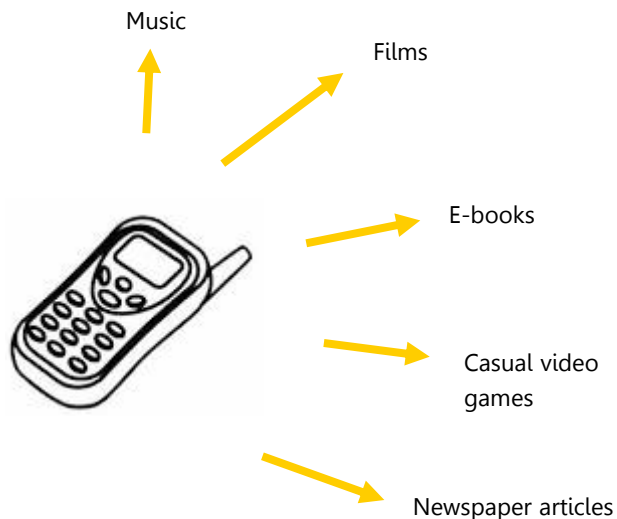
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## Regulatory implications of the digital transformation

### How to ease convergence between cultural industries ?

The way to access to books, newspaper articles, music and film has changed. One single device is centralizing all cultural goods...

**... however, diffusion rules for these goods are different across the distributors. A real convergence is necessary to streamline the access to cultural goods.**



Whereas the difference between podcasts and music streaming services is tight, radios and platforms access to labels' catalogues are different.

Youtube's royalties paid to music labels are lower than those distributed by streaming platforms such as Deezer and Spotify. YouTube will be forced to pay more to musicians and record companies under plans to reform European copyright laws.



**Thank you for your attention !**

**<http://www.bpifrance-lelab.fr/>**