

# Filling the Digital Pipelines: Government Policies and the Expansion of the Digital Content Economy



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# Initial Key Research Question and Lessons Learned



Examine the presence of Canadian digital content firms in Japan and South Korean markets

- Production and innovation networks (reasons for success, policy implications)



## Findings

- Very few Canadian digital content companies are active today in the Japanese market
- Understanding of Canada's digital opportunity - Canadian digital content companies generally small
- Very few Canadians on the ground, not teaching newcomers, not building relationships or expertise
- Japanese market very challenging (importance of face to face, role of publishers, hard market)



## Policy Implications? The importance of customers and markets

- Need better marketing of the capabilities of Canada and our Canadian companies
- Better collaboration (many small companies together) for promotional events
- Examine the role of incubators & accelerators to encourage start-ups to think about foreign markets



# How do other countries support their digital content sectors?

How are countries in East and Southeast Asia supporting and promoting their digital content sectors?

- Are there lessons for Canada?

## Background

- Digital content is a fast-growing and dynamic economic sector: video games, multi-player on-line games, video-blogs, animation, immersive experiences, gamification.
- Digital content does not fit easily within national economic development strategies and policies



Digital Media Sales, 2018				
	Japan.	South Korea.	USA.	China
Digital Media Sales	<b>15.7 billion</b>	<b>\$4.2 billion</b>	<b>\$44.4 billion</b>	<b>\$26.5 billion</b>
World Rank	#3	#5	#1	#2
Growth (YOY)	5.2%	10.5%	6.7%	9.1%
Digital Music	\$767 million	\$320 million	\$5.2 billion	\$816 million
ePublishing	\$2 billion	\$663 million	\$8.3 billion	\$1.7 billion
Video on Demand	\$1.8 billion	\$439 million	\$13.8 billion	\$2.3 billion
Video Games	\$11.2 billion	\$2.8 billion	\$17 billion	\$21.7 billion



# Research Findings



Great variety of approaches to building the sector:

- Financing, incubators, start-up support, mentorships, pitching sessions, data access, digital hubs
- Use of studios and equipment
- Development and recruitment of talent, investment and public participation
- Intense links between universities and industry
- Flagship facilities/ branding– Digital Media City, Cool Japan
- Parades, events, animation centres and Cartoon Street (To develop domestic interest)



# Policy Implications

Cultivating Talent, Capital for Start-Ups, Reaching Markets



National innovation - manufacturing vs. digital content

- Canada emphasizes subsidies for Canadian and foreign firms (ie. animation).
  - Less effort on digital content business development
- Asian countries appreciate the economy-building and business development side of digital content
  - Lots of potential program or policy initiatives as models
- Academic Recommendation – Incorporating the unique elements of digital content into the NIS literature

