The Political Economy of Communication
7(2), 79–104
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Industrial Organization of Online Video on Demand Platforms in North America: Between Diversity and Concentration

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Key words: Online video on demand, OTT platforms, Canadian audio-visual, Mexican audio-visual, cultural diversity, media concentration

Abstract

This article examines online video on demand platforms as a new dissemination window for audio-visual content in North America, specifically, in the less-known cases of Mexico and Canada. The comparative study describes and discusses the markets and industrial organization of these subsectors and highlights the common and distinctive characteristics of their ecologies vis à vis the United States' strong hold over the screen content industry in the region. The main line of inquiry is—what is the contribution of this new window regarding the provision of a more diverse screen outlet ecology in the current context of concentration in the audiovisual sector? In this way, the article connects with the long-standing debate between optimistic and skeptical accounts of whether digital technologies can disrupt traditional concentration tendencies in the cultural industries. To answer the research question, platforms were mapped and classified to produce original statistics. These results were compared with official and market statistics; document analysis of news, business and government reports. The article argues that asymmetries in the countries' traditional screen landscape have been carried over to the new dissemination window. Furthermore, outlet diversity has not translated into exposure diversity. The article also empirically monitors challenges to the availability of diverse content providers.

In the last decade, online digital technology has facilitated the emergence of a new market for the dissemination of audio-visual content: Online video on demand (OVOD) platforms. As Bustamante explains, "since 1995 streaming technologies of audio and video (transmission of data in a continuous flow) […] effectively facilitated the provision of an online TV offer" (2003: 26). However, in the past 25 years, obstacles such as the lack of broadband infrastructure and limited video compression—necessary for streaming video messages— as well as the digital divide have slowed down the introduction of this technology (Bustamante, 2003; Cunningham, Silver and McDonnell, 2010).

It was not until the 2000s that technologies allowed the establishment of OVOD services that were not only commercial but also public, legal and illegal.

Other authors have already provided histories of online screen distribution (Lobato, 2009; Cunningham, et al., 2010) that allow one to suggest a brief periodization of its evolution: 1) During the first stage, technological innovations and low barriers to entry facilitated the proliferation of new companies that with experimentation started providing online distribution to internet users. They were mostly pioneers in the United States such as iFilm, Atom Films, Intertainer, SightSound, Pop and CinemaNow. According to Cunningham et al. (2010: 25), Hollywood majors spent those years in "denial, threat and attempted litigation" against piracy. 2) A second stage saw the pioneering companies' failure to establish sustainable businesses. They were discontinued or absorbed by larger companies. It was not until 2002, that Hollywood majors—Paramount, Universal, Warner Brothers, 20th Century Fox, Walt Disney and Sony—sought to vertically integrate this new window. They joined efforts to develop their platforms Movielink and Moviebeam using a transaction model—purchase downloads. However, they failed to become dominant players and sold their platforms in 2006. 3) A third stage was characterized by the entrance of Apple's iTunes, already a consolidated player in music digital distribution. They offered a movie download-to-own model with a large catalogue that included major studios' titles. Its success was due to the massive popularity of Apple's hardware and its near-monopoly paid content portal (Lobato, 2009). In this stage, the Hollywood majors were forced to license their products to more successful tech companies to keep an indirect hold on the business. They also started to experiment with Hulu's subscription and ad-supported model. 4) A fourth phase has seen the emergence of dominant players "through organic growth or via mergers or acquisitions" (Cunningham, et al., 2010: 125). A new US-based oligopoly, comprised of Netflix, Amazon, iTunes, HBO Go and Hulu (Cunningham, et al., 2010; Ulin, 2014) has emerged. The phase has been characterized by market growth, consolidation of infrastructures and business models as well as the continuous folding of non-profitable platforms. The latest tendency is Hollywood's oligopoly fight-back through the launch of subscription platforms.

Netflix, the most successful of the new players, was a DVD online rental platform; its goal of becoming a subscription online streaming service was reached in 2007. One of its competitive advantages was placing the consumer at the center of the viewing experience through a system of personalized recommendations based on algorithms (Madrigal, 2014; Heredia Ruiz, 2017). In a decade, Netflix grew to become a world-wide presence in 190 countries and, by 2019, had 158 million subscribers (Lawler, 2019). Netflix, iTunes, Amazon and HBO GO positioned themselves in their own market as a basis for expansion to other countries, such as Mexico and Canada. Along with the establishment of US platforms, local platforms emerged. In Mexico, earlier players Claro Video (2012) and Cinepolis Klic (2013) followed the entrance of iTunes (2010) and Netflix (2011). In Canada the National Film Board's platform (2009) was one of the pioneers along with iTunes (2008) and Netflix (2010).

This comparative study of OVOD landscapes in Mexico and Canada will highlight common and distinctive developments amid the US' strong hold on the screen industry in the region. What is the contribution of this new window in the provision of a diverse outlet ecology against patterns of concentration in the audiovisual sector? This is an important question because in the current context of market concentration in the audiovisual sector, a diverse outlet ecology could contribute to the production and dissemination of wider screen content representations. They could become intercultural bridges and opportunities for communities to identify themselves or transform their identities. Of particular interest to this study are platforms that distribute films (fiction and documentary) as well as television programs which can be compared with traditional audio-visual windows, such as theatrical, restricted (Pay TV), and free-to-air television (FTA).

This article will draw on recent official or government commissioned documents. However, at present no academic study provides a critical overview of these new subsectors in Mexico and Canada. This research identifies the new players, their dynamics, and organization to study their diversity and compare both cases.

In what follows, the first section presents an overview of the audiovisual distribution sectors and their market concentration in Mexico and Canada. A second section provides a theoretical review concerning the characteristics of distribution in the digital era and its likely consequences for cultural diversity and democratization of the media landscape. The third section explains the methodology and limitations of the study. Section four outlines findings on the industrial organization of VOD platforms in Canada and Mexico. The fifth section compares the findings with concentration indicators. The final section discusses diversification/concentration patterns across the subsectors and the challenges for diverse content providers.

Market concentration in the traditional audiovisual industries

Audiovisual distribution in Mexico and Canada are comprised of FTA TV, Pay TV, OVOD/OTT (over-the-top) and cinema exhibition subsectors. Figures 1 and 2 show the relative size of the subsectors in each country by showing the percentage of revenues. As can be seen, the market share of OVOD services was still modest in both countries in 2017. However, they are quickly growing segments which will be discussed later.

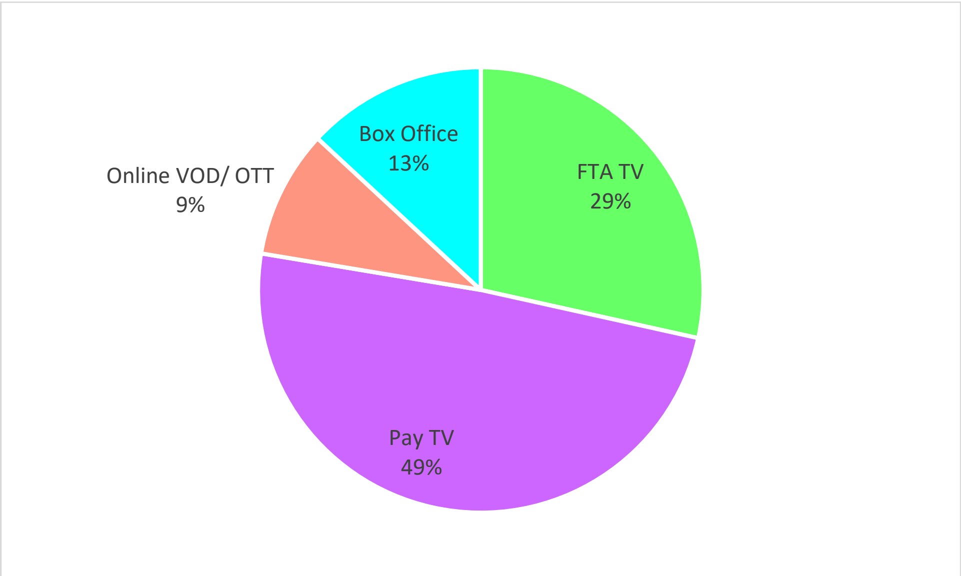

Figure 1. Revenue for distribution of audiovisual content in Mexico 2017 (Mex$127.9 billion).
Source: SAI Derecho & Economía (2018: 96).
Notes: Pay TV includes subscription revenue of Cable, IPTV and DTH as well as advertising revenue.

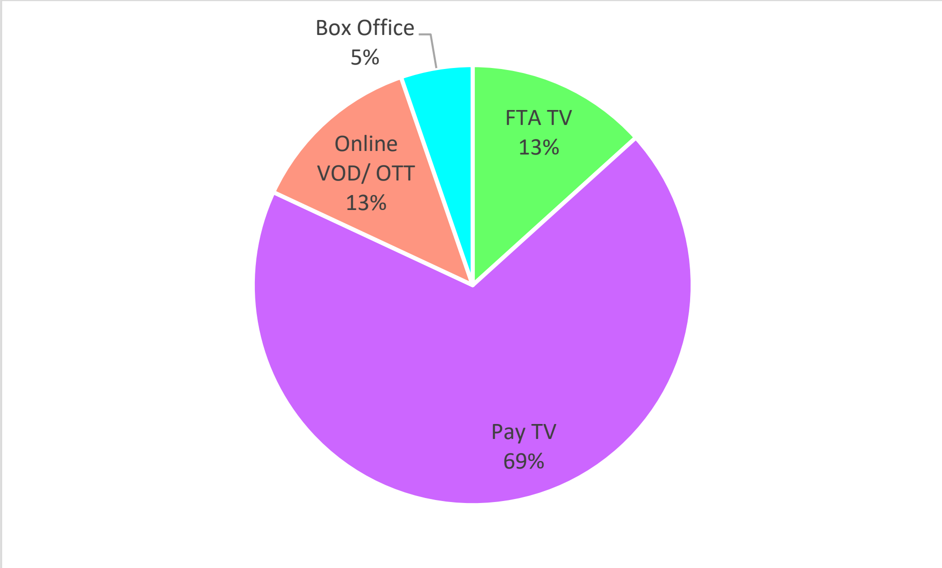

Figure 2. Revenue for distribution of audiovisual content in Canada, 2017 (C$18.7 billion).
Source: CRTC (2018: 226, 262); CMPA (2018: 77).
Notes: Pay TV includes revenue of discretionary TV services and broadcasting distribution undertakings (cable, IPTV and DTH).

Previous research has identified that film distribution to cinema theatres in Mexico and Canada were controlled by Hollywood majors' oligopoly (Sánchez Ruíz, 2005; Pendakur, 1990; Madger, 1996). As a result, in 2017 US films had 87% of the market share in Mexico (Imcine, 2018: 48) and 89.7% in Canada (CMPA, 2018: 77). Similarly, cinema exhibition had been limited to a handful of very strong players in each country. In 2018, the box office market share of Canadian cinema exhibition chains was 77% for Cineplex and 10.5% for Landmark Cinemas (Cineplex, 2018: 5). In Mexico, Cinepolis and Cinemex controlled 92% of the domestic market (SAI Derecho y Economía, 2018: 109).

Television was not excluded from this trend; it has also been dominated by regional media oligopolies. First, there is the television duopoly in Mexico (Gómez García, 2006). In recent years, Televisa and TV Azteca controlled 68% and 31% of the audience of FTA TV, respectively, and together controlled 91.2% of advertising revenue (Signum Research, 2017: 12; SAI Derecho y Economía, 2018: 159). In Canada, the television oligopoly is comprised of five companies—Bell (42%), Shaw-Corus (22%), Rogers (13%), Quebecor (14%) and V Media Group (3%). Together, they totaled 94% of FTA TV revenues (CRTC, 2018: 242).

Second, Pay TV in Mexico has 19.3 million subscribers and revenue is also concentrated in a few companies: Televisa dominates with 60% of Pay TV revenue, followed by Dish (17.3%), Megacable (3.6%), Axtel (1%) and others (7.7 %) (SAI Derecho y Economía, 2018: 159). In Canada, there are 10.7 million subscribers to Pay TV. Figures for discretionary TV services (Pay TV channels), which also include FTA TV, showed that the same five companies mentioned above accumulated 91% of the revenues (CRTC, 2018: 238). For the broadcasting distribution undertakings (cable, satellite and IPTV), seven companies received 97% of the revenues. They were: Bell (29%), Corus/Shaw (22%), Rogers (17%), Quebecor (12%) Telus (9%), Cogeco (6%) and Bragg (3%) (CRTC, 2019: 189).

As Winseck's report (2018: 42) observes, in Canada "all the main commercial television services are owned by telephone companies", to the point that the top five companies "accounted for approximately 85%" of total industry's broadcasting and telecommunications revenues (CRTC, 2018: 85). As Davis and Zboralska (2019: 54) state "service bundling, restrained competition, high prices and customer service issues are frequently attributed to this high degree or market concentration and vertical integration."

This market concentration uncovers, among other things, a lack of diversity in content outlets for both countries. However, in the first decade of the new millennium, the arrival of online digital distribution opened a debate. Optimists believed the 'Internet Revolution' would remove gatekeepers and increase offerings of diverse content but others doubted it (Garnham, 2011; Miller, 2019). The degree to which this has been a technology-led window of opportunity, and the degree to which structural limitations constrain taking advantage of such an opportunity will be explored later. Empirical evidence will be considered in relation to the current debate on cultural diversity in the digital era (Albornoz and García Leiva, 2019).

Economic characteristics of screen dissemination before and during the digital age

Research by Miège et al. (1986) argued that film and TV revealed two main models of media functioning: a) the flow model, characteristic of TV where packages of works were reproduced continuously via simultaneous broadcasting to mass audiences, and financed indirectly through public subvention and publicity; and b) the editorial product model, such as film and video, where individual creative prototypes were reproduced with material support in the form of copies acquired directly by consumers' payments.

Both models enjoyed economies of scale, meaning that the cost of producing the prototype was high but low or nil marginal costs were required for reproducing and distributing films or for broadcasting TV programs. As Garnham observed (2011) unlike other manufacturing products, creative content employed immaterial labor that involved uncertain time-frames and consumed more resources. This type of intellectual work resembled the work of R&D departments in high technology industries: "This means that culture industries are systems not of production but of reproduction. Once the prototype has been produced, the marginal cost is close to zero." (2011: 49). Having said that, film distribution and TV broadcasting are still costly to carry out. Having the infrastructure, operational capacity and resources to promote films and TV programs to achieve economies of scale favor large companies. They are well capitalized and tend to "lower unit cost (at least up to a point)" (Shapiro and Varian, 1999: 179). This effectively promotes market expansion (Garnham, 2005).

Historically, where economies of scale have been put in motion, they create entry barriers for new competitors (Scott, 2002) and facilitate the creation of oligopolies that dominate the whole value chain and obtain the biggest share of markets. This is why the academic literature has suggested that film "distribution is the segment of the industry where oligopoly is most in evidence" (Scott, 2002: 969). It is where real power rests and financial growth is obtained (Garnham, 1990). In other words, distribution has been central in explaining the accumulation of capital in the screen industry.

Digital technologies, however, reduced the operative and variable costs of reproducing, disseminating, and transmitting screen content (Picard, 2002). In this way, more money became available to promote and market screen content (Picard, 2002). Moreover, digital technologies implied a drastic reduction of barriers to entry and a potential increased competition (Albornoz, 2012). However, "there is no simple link between diversity of suppliers of content and of content (itself) […] notably due to the conflicting effects of economies of scale and economies of scope" (Ranaivoson, 2019: 105). Economies of scope exist "when fixed costs are large relative to variable costs and can be spread over different products" (Ranaivoson, 2019: 106). Digital technologies can potentially benefit from this as well:

> For example, the cost of setting up and maintaining an online retail platform can be spread over all items available on the platform. A diversified catalogue has several assets. It is notably a way to reduce competition: saturation of the market allows erecting barriers to entry (Ranaivoson, 2019: 106).

Dissemination on the web has also heightened the concern of freeloading. The public good characteristics of screen products mean that unlike consuming an apple, there is lack of scarcity—a video can be consumed many times and by different people. There are no incentives to repeat the purchase, and there is uncertainty of consumer satisfaction which cannot be judged in advance (Garnham, 2011; Kretschmer, Kimis and Choi, 1999). As Garnham observes "the costs of preventing freeloading are high compared with the potential returns from any single user […] this problem of freeloading has always been endemic to cultural and information markets" (2011: 50). This pattern has been intensified by their distribution online.[1]

Online digital technology led to the convergence of the previous flow and editorial models into OVOD platforms which distribute both films and TV programs alike. Early on, the possible models of screen content distribution were identified: 1) Real time streaming—similar to the flow model; 2) Streaming on demand—similar to the pay-per-view model; 3) Downloading video—a virtual version of the editorial product model as it provides individual products for sale or rent; and 4) Peer-to-peer downloading—an exchange model (Idate News, 2000 in Bustamante, 2003). Although, the platforms studied in this article focus on streaming on demand, some of them also provide the first and third models. Furthermore, the peer-to-peer sharing model coexists in the current ecosystem of legal and illegal platforms.

Given the historical tendencies of market concentration in audio-visual industries, digital changes have become central to a debate on whether or not those technologies have "the capacity to circumvent fundamental characteristics of traditional media […] that limited the diversity of content produced" (Napoli, 2019: 85). This debate also addresses the diversity of dissemination outlets available. Optimistic and skeptical accounts have clashed over the issue of diversity in the digital audio-visual industries. Both sides acknowledge the concentration tendencies of traditional media arising from significant production and distribution costs and high barriers to entry (Napoli, 2019; Cunningham, et al., 2010).

ICTs revolution in cultural industries: Schumpeterian and 'Long Tail' optimism

The optimistic account of the debate has been rooted in the assumptions of the information economy/society perspective. Within it, the Schumpeterian long wave school has suggested that, "the next long wave of capitalist growth (would be) based on a new technological paradigm funded on ICTs [Information and Communication Technologies]" (Garnham, 2011: 57). Accordingly, a version of this argument influenced cultural industries scholars, practitioners and policymakers who saw technology as shaping the cultural industries' ways of reproduction (Garnham, 2011).

Earlier versions of this account can be found in Toffler's wide-reaching book *The Third Wave* (1980), where he argues that the second wave mass-production paradigm was characterized by factory-like mass media that: "stamp identical messages into millions of brains […] [which] flow from a few concentrated image-factories out to millions of consumers." (1980: 35). The establishment of a third wave based on ICTs implied the de-massification of the media. Video recorders, video players and satellite TV allowed personal use, specialization and increased interactivity that would blur the line between producers and consumers, hence the term 'prosumers' (Toffler, 1980: 390). For Toffler, these new media dynamics would increase the diversity that "a de-massified society will both require and engender" (1980: 181).

Baumol and Bowen (1976) had argued that low productivity was characteristic of cultural production because of its creative, immaterial labor that entailed a costly consumption of time and resources. As a result, the price of cultural products rose generating an increase in consumers' expenditure or a decline in consumption. According to Garnham, this "led to a stress on the use of technology in distribution to obtain, through market expansion, the economies of scale and scope unattainable in production per se." (2011: 48). In the so-called 'New Economy', ICTs and digitalization were seen to produce benefits such as "disintermediation and thus the stripping out of transactions and transaction costs" (Garnham, 2011: 57).

This rationale underlay Jenkins' (2006) argument that the internet could transform television: "once you distribute via the Web, television instantly becomes global, paving the way for international producers to sell their content directly to [...] consumers." (2006: 254). For Jenkins, this could increase the availability of more and different content "around the edges of commercial culture through grassroots or niche media industries" (2006: 257).[2] This idea also permeated the popular narrative as documented by Lobato: "many media commentators, film producers and industry boosters envisage a day when digital film distribution [...] will also be a boon for independent film-makers, who will be able to cut out the middle man and deal directly with their audiences" (2009: 167).

Another influential driver on the optimistic side of the debate was Anderson's Long Tail theory (2004) about how digital technology dynamics fostered a growing variety of products. The long tail referred to the shape of a statistical distribution curve where products' sales fall far from the level of distribution equated with hit products. At the core of Anderson's theory were three assumptions: 1) that the internet would 'make everything available', removing scarcity of physical stock and wave space; 2) that prices could be lowered by saving the costs of reproduction, packaging, manufacturing, distribution, or shelf space overheads, and; 3) that the internet would help people find diverse products via search tools and recommendation systems. Netflix and Amazon, which would become OVOD platforms, each served as a DVD postal rental service and a web retailer. Both were exercising a retail hybrid model that entailed catering for the head and tail products. "In the aggregate, the low-popularity content (the long tail) would represent an equal or greater share of audience attention than the 'fat head' (the popular content)" (Napoli, 2019: 86).

Influenced by the Long Tail theory, Labrada (2015) considered that long tail products propelled by digital distribution would expand the market and restructure businesses. It is in that context that OVOD platforms needed to be framed: "from our point of view, they need to be seen as an opportunity, that was not available before, for many titles of features, documentaries, shorts, series, etc., that have not enjoyed massive success, to get incorporated to this new market where they can be identified and become accessible" (2015: 14). However, Labrada observes that the variety on offer does not automatically translate into consumption demand: "there is a need to have filters that can redirect the demand towards the long tail. When filters work, the long tail enlarges [...] so niche products can generate a market themselves and compete with star markets" (2015: 11).

A skeptic view: Economic, structural and consumption limitations

Not all of the optimistic expectations were crystalized. As Garnham (2011) questions,

> so far as the cultural sector is concerned, the issue is whether web-based distribution […] (has) broken the power of the distribution-based conglomerates? […] while it is clear that the old structure is undergoing dynamic restructuring, we do not know what the outcome of this process will be (2011: 57).

Garnham's (2011) critique of the Schumpeterian discourse on the cultural and media sector can be summarized as follows: 1) First, ICTs did not decrease information transaction costs, which kept rising. 2) Second, "they overlooked […] the rising relative costs of production (including, importantly, rising marketing costs)", which were so necessary for products and content to stand out (2011: 60). 3) They failed to realize that cultural industries have been marked by an "intensified competition for stagnant demand […] (and) a struggle for market share, which has taken the form of a struggle over distribution" (2011: 60). This competition not only occurs within the media sector but with other leisure, tourism and lifestyle activities as well.

Likewise, Lobato observed that "while the 'democratizing' potential of online distribution may be appealing, it is important to recognize that digital delivery infrastructures may not result in any real diversification of film culture" (2009: 167). His analysis points to a series of structural constraints on diversity of content in online distribution: 1) There are significant costs associated with rights clearance, conversion and encoding of digital files. Consequently, "distributors will only make this effort for films that have demonstrated abilities to make their money back" (2009:174) so that OVOD catalogs overlap with traditional mainstream titles. 2) Despite the 'friction-less' argument, there is a new set of intermediaries and gatekeepers called 'content aggregators' dealing between production companies and big platforms which do not deal directly with independent producers. 3) The obstacle of audience awareness occurs because non-mainstream content needs a pre-existing demand to be visible. 4) Because of the preceding factors, "the potential for oligopoly is distressingly high in online VOD" (2009: 176).

Wasko (2019) concurs that expectations of the digital revolution as leading to diversification were misplaced; "concentration and consolidation has also grown in these areas with media, information and telecommunication combining to produce some of the most profitable sectors in many regions" (Wasko, 2019: 68). On top of the giant tech companies involved in audiovisual activities, old media companies were, and are adapting and competing through their own 'platformization'. For example, they look to obtain cross-sided network effects by increasing users as well as advertisers. They also cross-subsidize by having a profitable activity that funds a free service to attract users. Furthermore, users' personal data is collected and managed to learn from or sell (Ranaivoson, 2019).

During the last decade, empirical studies have also reevaluated the long tail theory. Elberse (2013) found that digital tools such as search and recommendations could actually further favor content with mass appeal and lead companies to pursue 'blockbuster strategies'. Likewise, Napoli's (2019) analysis of Netflix suggested an organizational migration away from the long tail strategy back to serving the head. The reasons can be listed as follows: 1) The high costs of digital licensing require a more selective cost-benefit calculus—this is a departure from physical goods which used to be sold but not licensed. 2) As a response to licensing issues, OVOD platforms have ventured into production to develop original content libraries, which they will support and push through search and recommendation tools over third parties' licensed content. 3) Competition from major studios' own platforms have meant a refusal to license products or an increase in licensing costs. In “this more competitive environment, no single provider is in a position to fully serve the long tail […] (but indeed) offering […] the same general type of content” (Napoli, 2019: 94). 4) Interactivity has also provided a greater amount of data for companies to predict preferences which may depart from long tail products.

In sum, technology and industry practice have evolved and other factors have emerged to alter the isolated conditions once operative according to the parameters of the Long Tail theory. Historically, these reconfigurations have led Brynjolfsson, Hu and Smith (2010) to suggest the possibility that digital dynamics act in favor of either ‘long tail’ or ‘hit/superstar’ outcomes. This suggests the need to conduct more empirical studies.

Methodology

In order to study OVOD platforms in Mexico and Canada this article analyses the subsectors’ industrial organization. The original research consisted of a thorough—although non-exhaustive—survey of the OVOD platforms available in both countries via companies’ websites, news, business and government reports. Following Ranaivoson (2019), the examination of cultural diversity in the audiovisual industries can involve off-screen indicators and relate to the *source*. Important factors here are: first, the demographic representations of the workers participating on the production of audiovisual content; and, second, the quantity and quality of operators such as producers, distributors and outlets of dissemination; including their ownership, interests and context which have an influence on their institutional strategies “such as synergy, cross-promotion and economies of scale and scope that may have an impact on media diversity" (Wasko, 2019: 69). The study can also be seen in terms of diversity of *exposure*, that is, at the audience consumption-side. Issues here include access by certain social groups, audiovisual circulation and trade, the kind of products that are effectively consumed and their country of origin. Finally, cultural diversity can also entail onscreen indicators or *content* characteristics: language, genre, format, ethnic representations, values, identities and ideas conveyed.

This study mainly focuses upon off-screen indicators, especially those related to the source (distribution outlets) and exposure (market shares). The analysis entailed examining the OVOD platforms by grouping them into categories. The diversity of the outlet ecology was understood as the variety within the following categories: country of origin, business model, type of capital, and type of content provided. With these data, original statistics were generated. But more importantly, those findings were compared to concentration indicators such as revenue and market share statistics, the number of outlets owned by large conglomerates and their market concentration strategies (such as envelopment, vertical and horizontal integration). In this way, the analysis not only mapped a static diversity, but critically identified “power relations that give (or do not give) place to differences rather than differences themselves" (Albornoz and García Leiva, 2019: xxx).[3]

Most of the concentration indicators were drawn from qualitative and quantitative secondary data from previous academic research, media reports and official statistics. However, the study encountered some obstacles identified by other researchers studying digital distribution in regard to unavailability of consumption data due to the secrecy of commercial companies. This effectively "hinders, in particular, the capacity of national statistical offices to accurately measure the flow of digitized cultural goods” (Albornoz and García Leiva, 2019: 186). When data was available there were sometimes inconsistencies from source to source, as will be later evident in Winseck’s (2018) criticism of CRTC's figures. The study, nonetheless, tried to rely more on official statistics, commissioned and business reports, independent reputed academic studies and, to a lesser extent, news reports.

For methodological reasons, the study could only include platforms available on the web and through apps used on mobile devices and smart TVs. It does not include platforms that work with consoles, transmission devices (Apple TV or Chromecast) or those delivered through satellite, cable or IPTV (via internet protocols to a set-top box connected to a TV). The study focuses on platforms that distribute films (fiction and documentary)[4] as well as television programs. This provides the opportunity to compare the levels of outlet diversity found in OVOD to other windows, such as theatrical, restricted and free-to-air television. Furthermore, the research aims to analyze the outlets' ecology of professional screen-content-producing industries.[5] The research did not take into account international platforms with no audio and subtitles in Spanish (Mexico), English, French (Canada) or native indigenous languages available in the countries studied.

OVOD markets in North America

Apart from being the leading country of film and television content production with the largest distribution reach world-wide, the United States also has the first motor advantage in the OVOD sector, with some of its platforms pioneers in the commercial market. The US also has a domestic market for online SVOD that went from 112 million subscribers in 2016 to 125 million in 2018 (BTVN, 2017; McDonald, 2018). Furthermore, overall OVOD revenue reached US$26.8 billion in the U.S. in 2018 versus US$20.3 billion in 2017 and US$15.6 billion in 2016 (Frankel, 2019). The colossal size of this market is best perceived in comparison to the rest of the North American region. The Mexican online SVOD market went from 1 million subscribers in 2013 to 8.5 million in 2018 (SAI Derecho y Economía, 2018: 133). In 2017 it was estimated that OVOD in general generated revenue of US$626 million (SAI Derecho y Economía, 2018: 160). In Canada the subsector grew at an average rate of 38% from 2014 to 2018. Revenue grew from C$3 billion to C$4.3 billion from 2017 to 2018. According to CRTC (2019: 167), this represents approximately 63% of total television revenues. However, some criticism has been made about CRTC's potentially inflated revenue figures due to methodological errors with policy consequences (see Winseck, 2018: 45): "The impact of cord-cutting […] on the 'broadcasting system' is real but exaggerated" (Winseck, 2018: 10) as Pay TV remains the largest source of TV revenue (Winseck, 2018: 46). For Winseck, framing OVOD revenue growth as "threats to the broadcasting system" in mainstream discourse could lead to policies in favor of the largest local telecom/broadcasters. In fact, the latest CRTC (2019: 169) report includes Twitter, Instagram, and Facebook as contributing to 39% of FVOD revenues. Such inclusions could be contested due to those platforms being social media companies rather than having the provision of OVOD services as their main business goal.

Still, there is no doubt that the OVOD market is growing. Subscriptions in Mexico grew by 39% from 2011 to 2016, representing one of the most important markets in Latin America (Mundo Contact, 2015; Pérez, 2017). Moreover, the potential of the Mexican market is bigger if we take into account that in 2017 only 51% of Mexicans had internet access at home (64% had access at home or in any other place). In comparison, for Canada and the US, Internet penetration at home in 2016 amounted to 87% and 82% respectively (CRTC, 2018: 18; IFT, 2018: 15; Ryan, 2018: 3).

However, it is worth considering the extent to which these emerging markets benefit a diverse range of distribution outlets both in Mexico and Canada. Those benefits will be reflected in the range of content likely to be available and the audiences most likely to access it. This is particularly important in the context of US's strong global position.

OVOD platforms in Mexico

After surveying the OVOD ecology in Mexico, 66 operating platforms were identified by the end of 2019.[6] They purposely had as their main business operation the provision of professional audiovisual content in a non-linear way via an app or a website. They were classified according to the following groups. a) There are 39 *stand-alone* platforms, understood here as independent of a subscription to a Pay TV provider but also platforms that do not provide bundles of other platforms. b) There are also around 13 *multi*-platforms that redistribute packages of other platforms and channels; they are usually provided by telecommunication or Pay TV companies such as AT&T, Axtel Play, Claro Video, Direct TV, Dish OTT, Izzi Go, Movies Anywhere, Moviestar On, Sky Blue to Go, Total Play On Demand and XView. Only recently, the redistribution of other platforms and channels has become a competitive strategy for platforms that started as stand-alone ones. Examples include Blim and Amazon Prime. c) There are 14 *Everywhere TV (ETV)* platforms, the OVOD versions of cable and satellite channels such as Nickelodeon, Lifetime, History Play, Cinemax Go, Cbeebies and A&E Play. All of these require Pay TV subscriptions to access them.

Apart from those 66 platforms, the study also identified: a couple of platforms dedicated to educational or community special screenings (CACI and Cinema México); and a handful of channels using sharing platforms such as Vimeo or YouTube (to distribute films or TV programs such as Canal 22, Cinépata, Cinevivo and Ojocorto). For the purposes of this article, I will only focus on the 66 platforms previously identified because they have the autonomous infrastructures to professionally distribute films and TV to home users through digital forms of dissemination.

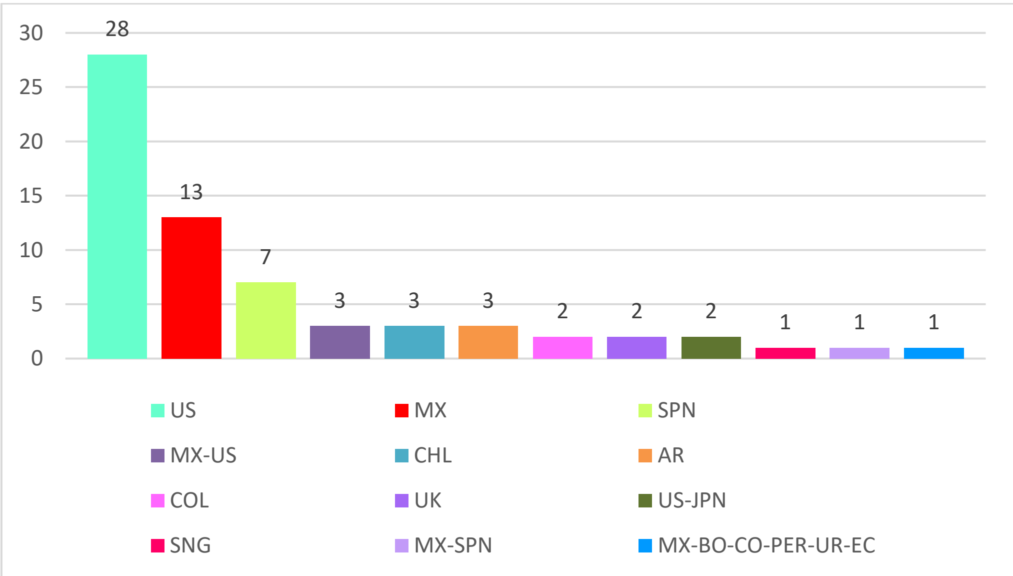

Figure 3. Platforms in Mexico by country of origin. Source: Own elaboration.

As it can be seen in Figure 3, the majority of the 66 platforms available in Mexico are from the US (28) and they are tailored to the Latin American market with audio or subtitles in Spanish. However, 13 Mexican platforms are also present, and there are three US-Mexico joint ventures. Moreover, if we consider the 15 platforms from Spanish-speaking countries that are also available in Mexico[7] and the two platforms in Mexico, which are joint ventures with other countries from Ibero-america, it can be seen that the ecology of OVOD platforms has diversified in terms of the outlet numbers by country of origin. This is afforded by the international reach of the internet.

Of public platforms from Latin American countries, some own the rights of their content catalogs and these can be disseminated nationally and beyond borders. Such is evident in the case of FilmIn Latino, a Mexican public VOD platform from the Instituto Nacional de Cinematografía (IMCINE) allied with FilmIn, a private company from Spain. A portion of FilmIn Latino's catalog is free, consisting of a hundred titles of content (the rights are owned by IMCINE as a State film investor). FilmIn Latino equivalents are CINE.AR from Argentina and OndaMedia from Chile. Although 53 of the platforms available in Mexico are offered by private companies, there are also 11 public and two mixed capital services that provide interests and objectives aside from commercial ones. Recent research has found that public channels are "more diverse or distinct than private counterparts" (Ranaivoson 2019, 105).

In the current outlet ecology in Mexico, 73% of the platforms are foreign, 20% are Mexican and 7% are Mexican joint-ventures with other countries (see Figure 4).

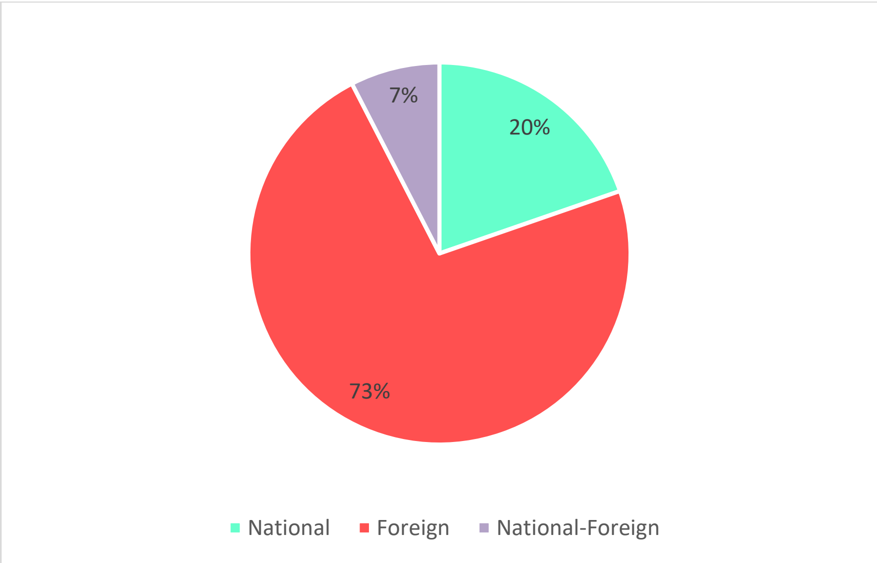

Figure 4. National vs. foreign platforms in Mexico. Source: Own elaboration.

A variety of business models are also available in Mexican platforms. The leading business model, subscription platforms (SVOD), represents 51% of the total platform number. Free platforms (FVOD), which are either public, ad-supported or sponsored, account for 24%; transaction platforms (TVOD) that rent titles through streaming or offer purchase downloads comprise 11%. Another 14% of platforms allow combinations of the above models (see Figure 5).

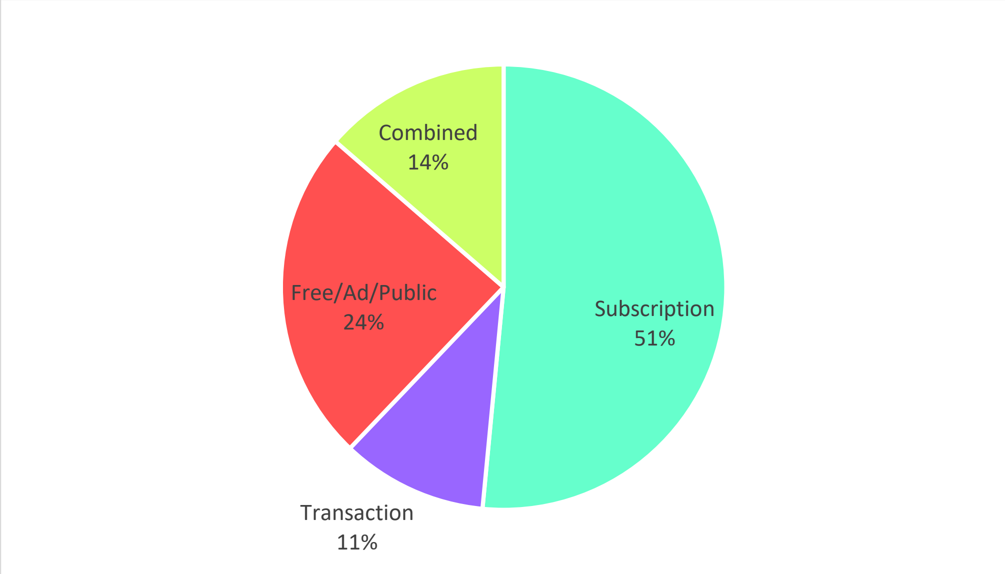

Figure 5. Business models in Mexico. Source: Own elaboration.

Sixteen, or a majority, of the platforms only *distribute* content through the OVOD platforms, which means they specialize in this phase of the value chain. However, there are also players that are vertically or horizontally integrated; that is, they own other phases of the value chain or have ownership in other economic sectors. There are, for instance, three OVOD platforms that have recently ventured into content production, such as Acorn TV, Crunchyroll and VEMOX. Seven platforms are owned by giant internet tech companies, such as Google Play and Microsoft. The majority of tech companies' platforms have recently moved into production as well—Amazon Prime, Apple TV+, Netflix, and YouTube Premium. They realize that in order to compete long-term and not be vulnerable to the whims of major studios, they need to own the IP of their catalogue. The OVOD platform of the biggest film exhibition business in the country should also be mentioned here: Cinepolis. A couple of platforms distribute major studio's back catalogues such as Disney+ and Movies Anywhere. There are platforms integrated with film funding agencies such as FilmIn Latino, Cine.ar and OndaMedia. Six others *redistribute* content provided on free-to-air television, which they also produce. The main examples are Once TV and TV UNAM (the two public university channels in Mexico), RTVA and RTVE from Spain as well as Televisa Digital and TV Azteca (the major commercial free-to-air providers in Mexico). Seventeen other platforms are horizontally integrated with Pay TV channels and provide VOD that mirrors their linear content and vertically integrates content production—Universal TV+, Fox Play, HBO Go, Blim. Furthermore, there are 11 companies that are horizontally integrated with companies in other sectors such as telecommunications, internet service providers (ISPs), cable and satellite operators. Some of these companies produce original content too. This is the case for Claro Video, a Mexican platform owned by America Móvil, the largest telecommunication company in the country. This company is also an ISP, which has started to co-produce content. Similarly, Izzi Go is integrated with Televisa which also owns the major satellite and cable TV operators in Mexico, alongside free-to-air and Pay TV channels (as well as the SVOD Blim and the FVOD Televisa Digital platforms) (see Figure 6).

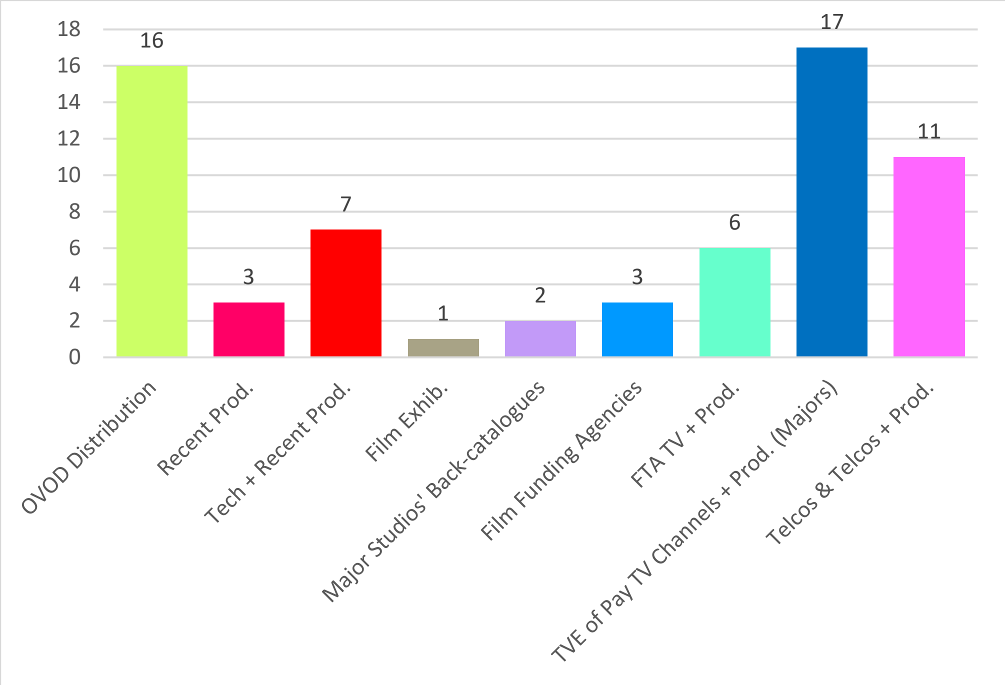

Figure 6. Vertical and horizontal integration in Mexico. Source: Own elaboration.

OVOD platforms in Canada

The 47 OVOD platforms identified in Canada by the end of 2019 can also be grouped as follows: a) *Stand-alone* platforms; b) *Multi*-platform or multi-channel services such as Crave TV from Bell Media or Amazon Prime; c) *Everywhere TV*, mirroring cable and satellite channels such as CityTV Now, CTV Comedy, Movies and Vault, the Family Channel and FX Now. An already existing subscription to Pay TV services is required to access the platforms.

Also identified were *special screening* platforms for education and community institutions, such as Criterion on Demand and Hoopla. As in the Mexican case, it is the platform types previously mentioned which will be analyzed.

As evident in Figure 7, of the 47 platforms available in Canada, 23 are from the US, and 18 are Canadian platforms. There are also a couple of UK platforms and two joint venture platforms (French-Canadian and French-German) as well as a Spanish and Australian platforms. Unlike the Ibero-American platforms' international reach, most platforms from English- and French-speaking countries that could very well serve the Canadian market, are geographically blocked due to the distribution restrictions based on regional licensing deals. Even public platforms operating in Ireland, New Zealand and France block their international accessibility to abide with distribution deals and national copyright legislations. Therefore, international outlets that could provide a good fit for Canadian audiences are reduced. ABC Australia iview (from the Australian Broadcasting Corporation) and the NFB from Canada are two exceptions of free public platforms internationally available. BritBox, a joint venture from UK's BBC and ITV, is also internationally available by subscription.

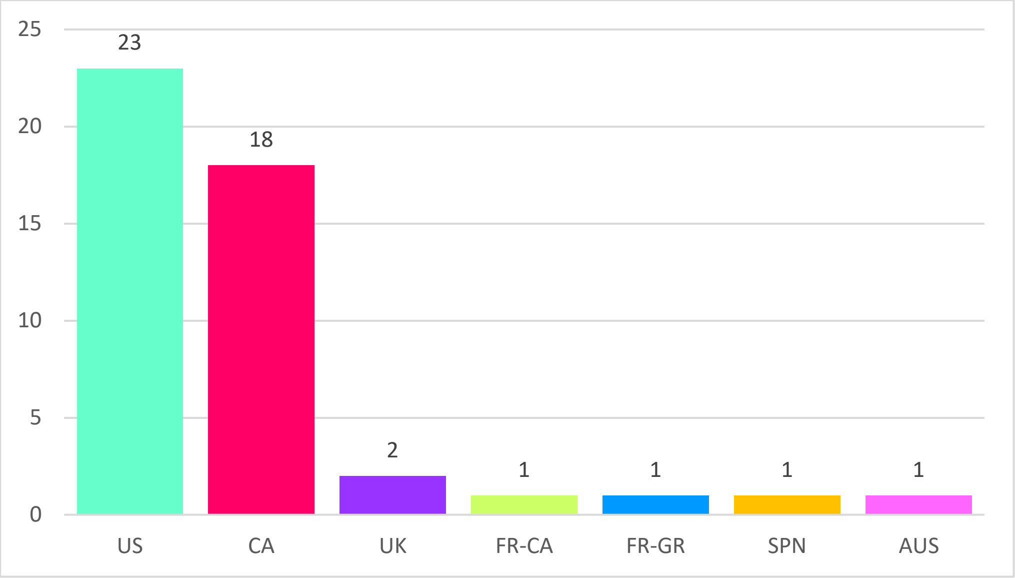

Figure 7. Platforms in Canada by country of origin. Source: Own elaboration.

In sum, 60% of platforms available in Canada are foreign and 38% Canadian. Two percent are Canadian joint-ventures with other countries (see Figure 8). Canada has six public platforms and one mixed capital platform. The 40 private platforms point to an imbalance of commercial over public objectives and interests in the Canadian OVOD ecosystem.

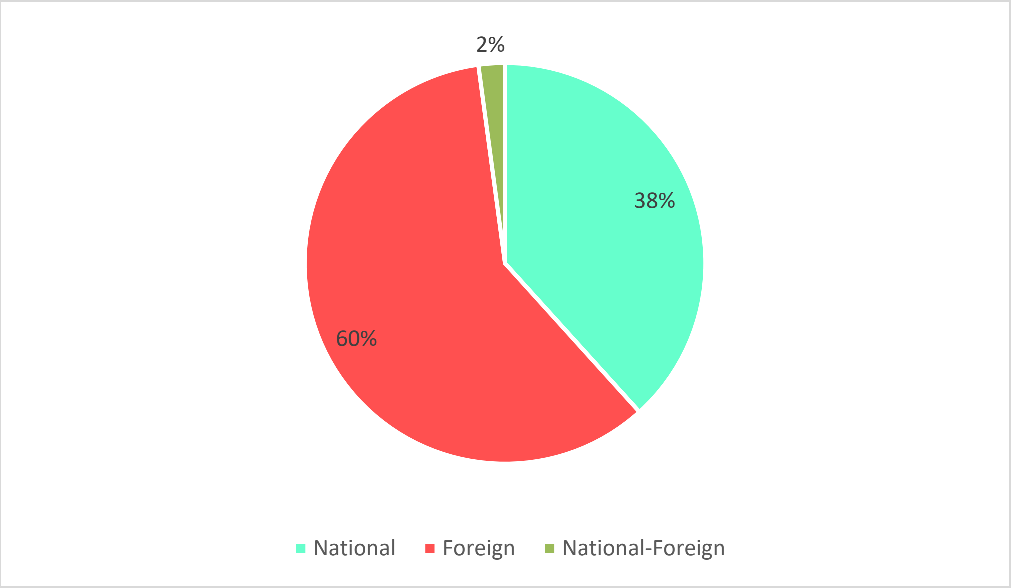

Figure 8. National vs. Foreign Platforms in Canada. Source: Own elaboration.

As with the Mexican case, a trend toward the subscription model is quite marked in Canada with 55% of platforms being subscription (SVOD) (see Figure 9). This is followed by free platforms (FVOD) representing 28%, transaction platforms (TVOD) accounting for 11%, and the remaining 6% corresponding to combined models.

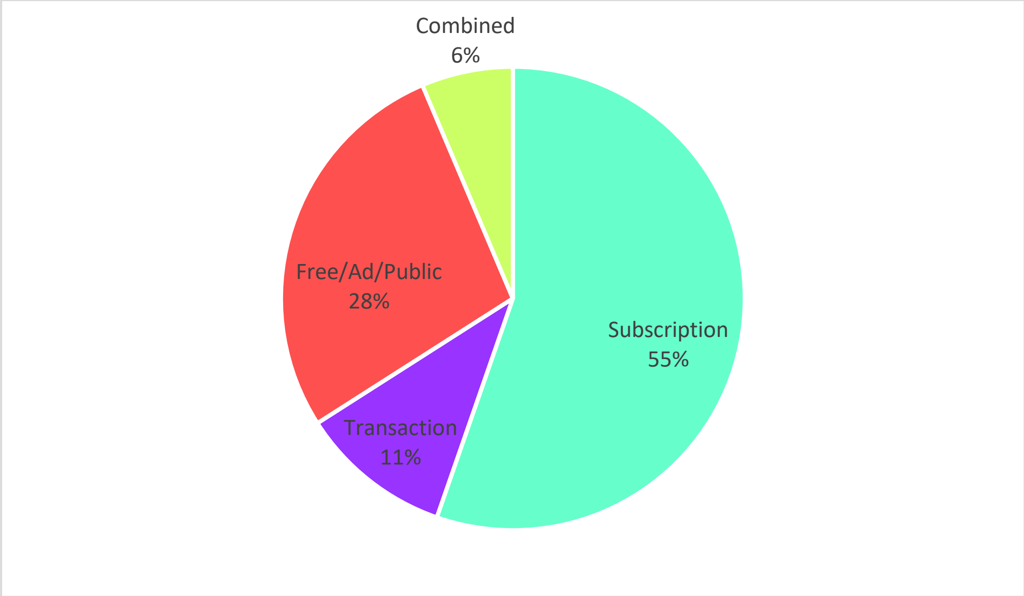

Figure 9. Business Models in Canada. Source: Own elaboration.

As seen in Figure 10, Canada has eight platforms only dedicated to OVOD distribution. But there are also high levels of vertical and horizontal integration with three platforms recently getting involved in production, namely Acorn TV, Crunchyroll and Popcornflix. Seven platforms are owned by the same internet giant tech companies also operating in Mexico. Some of these have also invested in producing original content. Also, the biggest film exhibition company in Canada, Cineplex, has an OVOD platform. Disney+ is a platform vertically integrated with its major studio back catalog. And the National Film Board is a platform for a film funding agency. Some other platforms are horizontally integrated and redistribute content for FTA TV such as CBC Gem from the Canadian Broadcasting Corporation, ICITou.tv, BritBox, ABC Australia iview, and TV5Monde. Other platforms are integrated with Pay TV channels and mirror their content as with FVOD and SVOD platforms such as APTN, CBS All Access, the Food Network, Hayu, HGTV, Much and Red Bull. Last but not least are the platforms owned by telecommunication and cable operators. Given the unique ownership structures in Canada (Winseck, 2018), they also control FTA TV and Pay TV. The platforms are Club Illico from Quebecor, Crave TV from Bell, Food Network, HGTV, and Slice from Corus/Shaw, OLN from Rogers, and the ETV platforms (property of Rogers and Bell Media) listed at the beginning of this section.

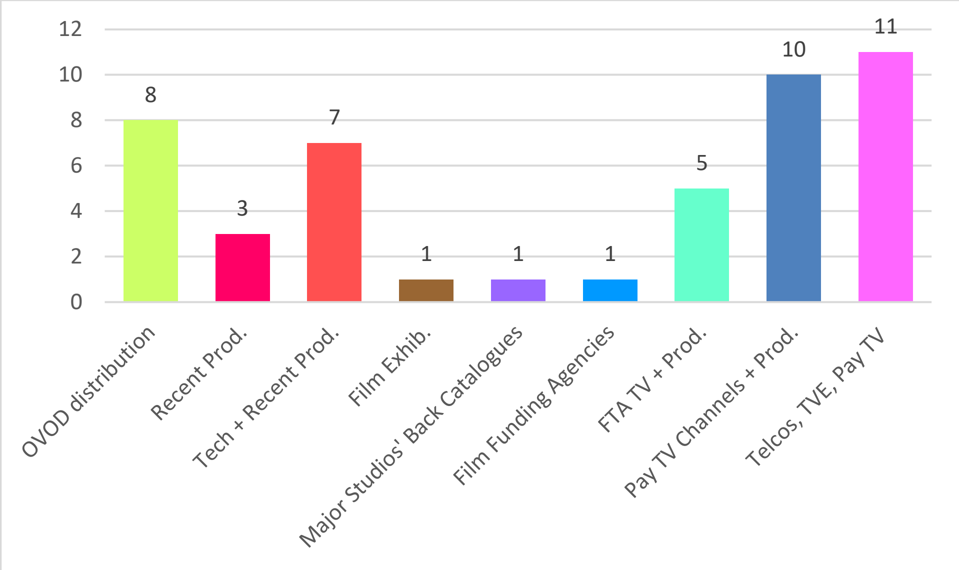

Figure 10. Vertical and horizontal integration of OVOD in Canada. Source: Own elaboration.

Market shares, concentration and diversity

Although outlets in Mexico are diverse in terms of national origin, type of capital, and business models, other patterns such as market share trends provide a different picture. With regard to SVOD, according to the Competitive Intelligence Unit (Camargo, 2018), in 2018 Netflix held 80% of the market share, followed by Claro Video 14.6%, Blim 2.7% and HBO Go 1.5%. The remainder of the platforms accounted for only 1.2% of the SVOD market. Similar statistics collected by the national survey of the Instituto Federal de Telecomunicaciones give Netflix 92% of market share compared to Claro Video 11%, YouTube Premium 9%, Blim 5%, and Amazon Prime 3% (IFT, 2018: 38). Nonetheless, another study "Latin America OTT TV and video forecast 2018" (SAI Derecho y Economía, 2018: 133) gives a different stance and shows Netflix's market share in terms of subscriber numbers as 50.6%. Netflix is seen to face competition from other platforms, especially Amazon Prime and Claro Video. With regard to FVOD, the IFT's national survey counted an audience share for YouTube of 89%, followed by Facebook with 44%, Televisa Digital 10%, TV Azteca 10% and Once TV 3% (IFT, 2018:40).[8] Only two independent platforms appear in the charts for the market shares of 2017: FilmIn Latino and MUBI each with 0.6% (Camargo, 2017). Unfortunately, this study could not find market share statistics for TVOD in Mexico. However, based on the data available, we can see that many of the Mexican public platforms and Ibero-American platforms are unknown by most of the Mexican population. Thus, such platforms do not have significant captive viewers and exhibit a "practical lack of real exposure diversity" (Richieri Hanania, 2019: 137).

Another indicator of high concentration is the number of platforms owned by transnational corporations. Thirty-five of the 66 platforms available in Mexico are owned by large national-based and foreign-based global conglomerates: US-based Netflix, Amazon, Apple, Disney, Google, Warner Bros.-AT&T and Microsoft are complemented by the domestic platforms of Televisa, TV Azteca of Grupo Salinas, Cinepolis and America Móvil. These companies' OVOD platforms account for the largest market shares. Furthermore, such platforms offer multi-genre content as a competitive strategy to maximize user numbers. Multi-genre content has a broad appeal which overlaps with traditional media's Hollywood genre system that dominates cinemas, DVD and Pay TV.

The 31 independent platforms outside of the large conglomerates hold their focus on niche markets and complement the general ecology with varied products. They struggle to compete with transnational multi-genre strategies because audiences' tastes align with mainstream US and domestic screen products; other content lacks promotional and marketing clout. In the last decade, 10 platforms available in Mexico ceased operations, of which seven were independent.[9] Still, more than ever in Mexico, the independent spectrum provides the opportunity to watch diverse content packages. Examples include: Common Wealth nations' content (Acorn TV); Latin American content (Indyon.TV, Retina Latina, CINE.AR, OndaMedia); Asian content such as K-pop and Anime (Crunchyroll and Viky TV); European contemporary and classic content (Márgenes, Plat, Rtve.es, FilmIn Latino); world film classics, arthouse and festival films (MUBI, FilmIn Latino); Mexican independent films (CinemaUno, FilmIn Latino); world documentaries (GuideDoc); cult cinema (Spamflix); and national public TV (online public TV platforms can compensate when the broadcasting signal fails to reach remote regions of the country).

Similarly, in Canada market share statistics show the disproportionate influence of a few companies. According to CRTC (2019: 169), the revenue market shares for SVOD read as follows: Netflix 65%, Amazon Prime 9% and other companies 26%. In terms of TVOD, the market share was comprised of iTunes 67%, Microsoft 12%, Play Station 10%, Google Play 6% and all the remaining platforms 5%. Finally, for AVOD services, YouTube represented 22% of the market, Facebook 28%, Instagram 8%, Twitter 3% and other services the remaining 39%.

Twenty seven of the 47 platforms available in Canada are owned by large conglomerates, some are the same corporate entities found in Mexico: US-based Google, Amazon, Netflix, Microsoft, Apple, Disney, CBS, Warner Bros.-AT&T, Sony-AMC and Universal. Additionally, there are the large domestic corporations: Cineplex, Rogers Media, Bell Media, Quebecor and Corus-Shaw Communications. Winseck (2018) concludes that these local telecom companies also own major TV services because they fear that OVOD might cannibalize their Pay TV subscriber and revenue base, which is still their main source of income. As a consequence, they provide less of their programming online without subscription to Pay TV. This means that they raise less internet advertising revenue; they are less likely to unbundle Pay TV content in order to make it available via OTT services. As they own mobile services as well, prices tend to be higher and data caps steeper. This deters the consumption of online audiovisual content.

As in Mexico, these large companies' platforms account for the largest market shares; they enjoy considerable economies of scope and scale (Davis and Zboralska, 2019). Most of these platforms provide multi-genre content, but, unlike in Mexico, some of them also provide niche content such as Disney-Novi Digital's joint-venture providing Indian content or independent film providers Warner Media's Criterion Channel and Sony-AMC's Sundance Channel. Additionally, some offer segmented reality TV in FVOD, replicating the Pay TV offer (Food Network, Hayu, HGTV, MUCH, Red Bull and Slice). The rest of the platforms belonging to large companies provide multi-genre content with a broader appeal and their offerings overlap with traditional media (cinemas, DVD, Pay TV) that are dominated by Hollywood produced content.

The rest of the platforms are independent, they number 20 and provide, again, a diversity of niche markets and face struggles similar to their counterparts in Mexico. Three of the five platforms which have been discontinued in Canada over recent years were independent companies.[10] Independent platforms provide a more varied palette of content: Common Wealth nations' content (Acorn TV, BritBox); French-language content (ARTE and TV5 Monde); Asian content such as K-pop and Anime (Crunchyroll, Tubi TV, Con.TV); Family content (Dove Channel); Independent, classic, arthouse and festival films (Fandor, Filmatique, MUBI, Popcornflix); Canadian independent films and TV (NFB); world documentaries (GuideDoc); cult cinema, comics and sci-fi (Con.TV); LGBT-interest programming (OUT TV Go); as well as national public TV (CBC Gem) including Canadian Native People's and Quebecois French-speaking content (APTN, NFB, and ICI Tou.tv).

Another concentration indicator is the capacity and tendency to establish multiplatforms. This strategy was first put in place by telecommunication companies in Mexico (such as Claro Video) and Canada (such as CraveTV). The trend has been continued by tech and traditional media companies as well. To give some examples from Mexico, Blim of Televisa announced in 2019 a move from its VOD catalogue to becoming also a multichannel platform that included Televisa's FTA and Pay TV channels (Garrido, 2019). Amazon Prime began also providing other channels such as HBO and TV Azteca series through their portal. And Telmex of América Movil added Netflix to its internet packages (Lucas, 2019). In Canada, Amazon Prime also launched a multi-channel TV package through a deal with Corus/Shaw (Pinto, 2019). This is a world-wide phenomenon noted by Ranaivoson (2019): platforms in the same ecosystem can face the difficulty of having to balance competition with cooperation, as observed in the inter-firm dynamic of 'co-opetition'. Multiplatform strategies are envelopment strategies. This occurs by "extending another platform's value proposition and offering it in a multiplatform bundle, by leveraging overlapping user bases and harnessing cross-sided network effects to swallow the other platform (Eissenmann et al. 2011)" (Ranaivoson, 2019: 104). As Wasko states (2019: 74): "companies with large capital reserves have a greater ability to acquire additional properties, especially those that may constitute a competitive threat".

Discussion and Conclusions

In retrospect, we are observing a transition to the online digital distribution of screen content. However, this is not a seamless process; there are on-going changes in business models and market strategies, coupled with the entry of new players and the folding of failed ones. Therefore, any conclusions on the observations at this stage must be tentative. Nonetheless, some tendencies have become clear and challenges to the diversity of content providers can be identified.

The findings in both countries suggest that the OVOD offers a diverse menu of platforms in Mexico and in Canada in terms of country of origin, type of capital, business models and type of content provided. Similarly, local screen outlets and those from other regions of the world, as well as the different content niches they serve, are now readily available and accessible. Yet, traditional market concentration structures as revealed by market shares for consumption and revenue have been largely carried over to the new window. This suggests a lack of actual exposure diversity. It should be noted here that availability and accessibility does not necessary translate into visibility and actual consumer demand. This can be seen in the Mexican and Canadian independent platforms' low market shares.

Even though major disruptions created by the new US-based oligopoly have altered the screen distribution landscape, the presence of traditional Hollywood majors and powerful domestic enterprises still prevail. In Mexico and Canada, the most powerful players within the old and new oligopolies are integrating vertically and horizontally. This is reproducing traditional media forms of concentration, a pattern which is reducing diversity within the marketplace. Thus, large companies are converging into content production, distribution and commercialization across multiple windows—Pay TV, FTA TV or theatrical cinema. Some of them also control the carrier internet networks and telecommunication infrastructure, software, hardware or online retail sectors. In doing so they are becoming more powerful.

In looking at platforms' partnerships, there is a tendency to establish strategic alliances as a form of 'co-opetition'. This was evident in the trend to establish multiplatforms among large companies. Thus, there is a propensity for market concentration whereby platforms bundle their own and other partner companies' content to offer bigger catalogues to users.

Furthermore, a broad observation of the content large conglomerates offer, indicates that they favor multi-genre content. Some of this includes diverse niches but also the redistribution of mainstream content from the Hollywood-genre system, which overlaps with what cinemas, FTA TV and Pay TV supply. However, more research is needed concerning the specific nature of platforms' catalogues in terms of their economies of scope. Some of the independent companies recently discontinued were niche platforms that could not compete with the multi-genre catalogues of large companies.

Another important observation is that some platforms around the world, including publicly funded ones, have restricted their international reach due to regional management of copyrights and distribution rights, thereby, indirectly diminishing the international content supply. This also limits platforms' potential for market expansion, one of Anderson's (2004) internet-led drivers of diversity. This reflects the different commercial and non-commercial dissemination priorities and practices for platforms with international as opposed to national reach. Thus, rights management has not adapted to the internet's trend toward internationalization. On the contrary, the potential of many platforms has been geo-blocked to maintain the status quo of the more capitalized platforms. The latter are able to navigate the costs of managing the internationally segmented distribution system and collect the profits.

The findings of this research recognize that the optimistic and skeptical sides of the 'Internet Revolution' debate have made valid points. There are no definitive conclusions to be made as markets and strategies keep changing. My own view coincides with a statement from Lobato:

> This fantasy needs to be laid to rest. Yes, there is an increasing diversity in the online distribution environment in terms of the range of content available, and yes, in theory, this is widely accessible – but who actually ends up using sites like The Auteurs? […] Cultural and infrastructural politics are fundamental in determining who can access online cinema, and should always be a part of any critical work on digital film distribution, lest the discussion become a depoliticized celebration of consumer sovereignty (2009: 176).

In sum, the findings of this study show the ambivalent link between digitalization and diversity. As García Leiva and Albornoz (2019: 1) point out:

> While the expansion of digital technologies offers opportunities for enriching the diversity of cultural expressions - by reinforcing their dissemination and widening their access to a broader public, for example- it also presents new challenges. In this respect, we might highlight the emergence of very powerful global actors whose logics and practices (strong concentration, financialization, fiscal optimization, circumvention of national support mechanisms) can damage cultural diversity.

Acknowledging the continuity of media-power relations in the new OVOD window is not a pessimistic account but an attempt to acknowledge the factors that contribute to the concentration of power: the importance of the economies of scale and scope, the strategies to manage the public good characteristic of screen products, the socialization of consumption and its contagion, the social construction of taste, the importance of marketing and promotion. All of these factors circumvent the potential benefits of digital technology. This should remind us that the dichotomies between friction/friction-less transactions, intermediation/disintermediation, national/international reach, scarcity/availability, high/low prices, unilateral/interactive processes are humanly made, not technologically determined.

After reviewing the state of affairs in Mexico and Canada, the challenges discerned are also opportunities for communities and policymakers to reflect on how to best ensure the diversity of available OVOD platforms. Some general recommendations that could be discussed are:

- Support for independent platforms in their development of visibility strategies equivalent to powerful commercial marketing and promotional campaigns.
- The need to enforce regulation to ensure a level playing field in the platform sector via local content quotas, the imposition of taxes on foreign platforms and anti-competition monitoring.
- Evaluation of the cultural and commercial interests involved in the dissemination of content. Should internationalization be embraced or should the old rules and business models that restricted distribution within national and regional limits be maintained? If the internationalization path is favored, one must consider the use of far-reaching dissemination strategies through promotion, subtitling and dubbing. It will also be necessary to open a debate in regard to international arrangements for managing copyrights and distribution rights.

All of these recommendations are a matter for further academic research and public discussion. This article has explored the current challenges to diversity for OVOD outlets in Mexico and Canada. My purpose is to spark further dialogue among academics, practitioners and policymakers.

Author Bio

Argelia Muñoz Larroa is a researcher interested in the sustainability of cultural industries. From a political economy of culture perspective, she has examined the screen industries in Mexico, the United States, Canada and New Zealand. She has suggested a framework to guide effective policymaking to support cultural industries' sustainability. She has a PhD in Management from Victoria University of Wellington, New Zealand; an MA in International Affairs and a BA in History from Universidad Nacional Autónoma de México. She has published in *Estudios sobre las Culturas Contemporáneas*, *Norteamérica*, *Media Industries*, *Journal of Political Economy of Communication*, *Studies in Australasian Cinema*, and the *International Journal of Communication*.

Funding

Universidad Nacional Autónoma de México, Fellow of the Postdoctoral Scholarships Program, Center for Research on North America with Dra. Graciela Martínez Zalce-Sánchez.

Figures description

Figures 1 and 2 show the percentage of revenue for audiovisual distribution via Box office, Free-to-Air Television, Pay Television and Online Video on Demand in Mexico and Canada, respectively. Figure 3 presents the number of platforms by country of origin in Mexico; US = United States, MX = Mexico, SPN = Spain, MX-US = Mexico-United States, CHL = Chile, AR = Argentina, COL = Colombia, UK = United Kingdom, US-JP = Japan-United States, SNG = Singapore, MX-SPN = Mexico-Spain, MX-BO-CO-PER-UR-EC= Mexico-Bolivia-Colombia-Peru-Uruguay-Ecuador. Figure 4 displays the percentage of national, foreign and national-foreign joint venture platforms in Mexico. Figure 5 illustrates the percentage of platforms in Mexico by business model: Subscription, transaction, free (advertising/public/sponsored) and combined models. Figure 6 shows the count of platforms in Mexico that specialize in OVOD Distribution; and others that are vertically or horizontally integrated; those that have engaged in recent production; tech companies and tech companies that produce content; platforms of companies involved in film exhibition; platforms that are part of film funding agencies; platforms of free-to-air television channels; platforms integrated with Pay TV channels including those in the form of TV Everywhere and that also produce content, mainly US major studios; and finally, platforms from telecommunication companies which might produce as well. Figure 7 presents the number of platforms by country of origin in Canada: US = United States, CA = Canada, UK= United Kingdom, FR-CA= France-Canada, FR-GR = France-Germany, SPN = Spain, AUS= Australia. Figure 8 displays the percentage of national, foreign and national-foreign joint venture platforms in Canada. Figure 9 illustrates the percentage of platforms in Canada by business model: Subscription, transaction, free (advertising/public/sponsored) and combined models. Figure 10 shows the count of platforms in Canada that specialize in OVOD Distribution and others that are vertically or horizontally integrated: those that have engaged in recent production; platforms of tech companies and tech companies that produce content; platforms of companies involved in film exhibition; platforms that are part of film funding agencies; platforms of free-to-air television channels; platforms integrated with Pay TV channels including those in the form of TV Everywhere and that also produce content, mainly US major studios; and finally, platforms from telecommunication companies which might produce as well since they are integrated with TV broadcasting.

Endnotes

[1] Traditionally solved through copyrights, distribution rights, geo-blocking, DRM, public exhibitions, subscriptions, marketing and promotional campaigns, genres, star systems and franchises.

[2] Nonetheless, Jenkins was cautious to suggest media’s concentrated power was apt to remain concentrated and corporate resistance would be expected.

[3] This study is part of a broader research project that looks at the contribution of the new OVOD window to the audiovisual industry value chain in Mexico and Canada. It includes the analysis of platforms’ catalogues and patterns of revenue share, licensing, acquisition and investment in original production.

[4] It excludes platforms exclusively dedicated to news and sports.

[5] The study excludes platforms of user-generated content.

[6] Official statistics released by IFT (2019) reported the existence of 96 platforms in 2019; however, it includes platforms that stream linear TV only as well as news, social media and sharing platforms which this study does not consider.

[7] These platforms might not target the Mexican market in particular but they target international markets and their use of Spanish means they can be seen in Mexico. Some of the titles in their catalogues might not be available in Mexico due to regional restrictions of distribution agreements, but many others are.

[8] This study did not take into account YouTube (sharing platform) or Facebook (social media platform) for the reasons previously mentioned.

[9] The other three, which belong to transnational companies, were re-launched or were restructured to accommodate more profitable business models.

[10] The other two, subsidiaries of large companies, were re-launched or were restructured to accommodate more profitable business models.

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