

Why is investing in media innovation a major strategic issue for Europe?

Background: a profound and rapid transformation of the European media landscape

The European media sector has been undergoing a profound and accelerating transformation over the past decade. This transformation is based on several strong trends:

- **Emergence of new technologies:** Generative artificial intelligence, XR/VR, virtual production, which are revolutionizing the processes of creating, distributing and monetizing content.
- **Increased competition from global digital platforms:** Major players such as Netflix, Amazon, Disney, YouTube and TikTok now dominate European markets, strongly influencing consumer habits, especially among younger generations.
- **New consumer behaviors:** Migration to interactive platforms, personalized content, short and immersive formats, mainly consumed via mobile and connected devices.
- **Profound transformation of the advertising market:** Shift from traditional linear advertising to a digital value chain dominated by Google (Alphabet) and Meta, with a major risk of economic dependence for European players.

Europe: rich in content, weak in digital sovereignty

- Europe generates high-quality audiovisual content. The media industry represents an important economic market (€91.4 billion in revenues for the audiovisual sector, €19.8 billion for the news media, €23.5 billion for video games). ¹ Public service media alone invest €21 billion in content on an annual basis. ²
- Despite this wealth, European players are struggling to establish themselves against the major American platforms that capture +80% of VOD viewing time in Europe (Netflix, Amazon Prime, Disney+)³ and also dominate digital advertising investments.
- In 2023, American players accounted for 71% ⁴ of the 189 million VOD subscriptions in Europe. The leadership of US platforms in the digital content economy represents a major risk to the economic independence of the European media sector.
- In Belgium, 62% of digital advertising spending was captured by the digital giants MAMAA (Meta, Apple, Microsoft, Amazon, Alphabet) in late 2022 ⁵. While local players still dominate traditional channels (TV, radio), their market share in digital is reduced, which impacts their ability to finance competitive and sovereign editorial offers.

¹ European Media Outlook 2023

² EBU 2025 Figures

³ European Media outlook 2023

⁴ European Media outlook 2023

⁵ The Future of Advertising in Belgium – Deloitte/UBA , 2023

- Younger generations, especially Gen Z, have embraced radically different media uses, favoring social platforms and immersive spaces (TikTok, YouTube, Discord, Roblox, etc.) to the detriment of traditional media. Their consumption is based on short, personalized and interactive content, produced and distributed by independent creators more than by media professionals. In 2024, social networks have become the leading source of information for 16-30 year olds (42%), ahead of television (39%) or online news platforms (26%).⁶ This change in uses increases the dependence of European citizens on non-European technological and algorithmic environments to access this information.

Risks for Europe in the event of underinvestment in innovation

- **Gradual loss of cultural and democratic sovereignty:** Without digital sovereignty, Europe delegates the intermediation of access to content and information to non-European actors, whose economic and political interests do not necessarily correspond to European values.
- **Economic marginalization of European players:** Access to attention span and information would depend exclusively on the goodwill of non-European shareholders and governments, weakening European players.
- **Distancing new generations of audiences:** Without sovereignty in the distribution, curation, personalization and interactivity of content, Europe risks permanently losing its direct link with the younger generations, entirely dependent on foreign platforms to reach these audiences.
- **Overall contraction in public and commercial media revenues:** General decline in public allocations and advertising revenues for public media; reduction in subscriptions and advertising revenues for commercial media. This contraction is pushing for concentration and cost reduction, limiting the innovation needed to remain competitive.

Why media innovation at European level is essential to complement traditional support for creation

- **Strengthening the distribution, discoverability and interactivity of European content:** Investing in a layer of sovereign digital media products and services that allow European producers to reach their audiences directly and efficiently.
- **Develop economic resilience through innovative models:** New monetization systems, autonomous digital advertising, integration of technological innovations into production workflows (AI, XR, virtual production).
- **Preparing European production players for the challenges of the future:** Enabling independent producers to control and anticipate their production methods through the digital tools necessary for competitiveness and profitability in the media landscape of tomorrow.

⁶ Eurobarometer, Youth Survey – Flash Eurobarometer EP013EP, 2024

- **Reduce the risk of innovation through European co-financing:** Innovation mechanisms co-financed by the EU budget provide the necessary oxygen for innovation, avoiding the sole use of concentration and cost reduction, which weakens the future position of European players, whether public or commercial.

Proposed strategic actions

Europe's media sector is at a critical juncture: with the growing dominance of global platforms over content, data and distribution, it is imperative that Europe strengthens its digital sovereignty. The response associated with these innovation initiatives lies in active support for a public-private partnership driven by the industry itself and focused on media innovation. A partnership that should bring together public media, private media, technological innovators and political decision-makers around concrete actions such as:

- **Stimulate media innovation with reinforced European financial support:** Establish agile funding mechanisms adapted to short cycles of innovation catalyzed by technology, focused on rapid validation with users and markets.
- **Develop a sovereign European digital infrastructure:** Create secure and interoperable European platforms, AI systems and distribution ecosystems, reducing dependency on global tech giants.
- **Strengthen the innovation capacities of European media players:** Deploy integrated support systems in innovation projects, allowing teams to develop hybrid skills (editorial, technological, product) in real situations. The aim is to promote a new culture of innovation in the media, based on agile approaches, short cycles, concrete experimentation and market validation.

In this way, this public-private partnership brings together the European Commission with industrial leaders in order to pool strategic investments, accelerate the market validation of innovative solutions and build strong European media sovereignty, guaranteeing cultural diversity and democratic integrity.

Conclusion

Media innovation is an essential pillar of the European democratic shield. Investing in these new digital layers is now vital to sustainably preserve Europe's cultural wealth, guarantee economic and democratic sovereignty in the face of global challenges, and avoid strategic dependence on non-European actors.