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2019 CDO CONFERENCE
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.
<table>
<thead>
<tr>
<th>Digital Media Sales</th>
<th>Japan.</th>
<th>South Korea.</th>
<th>USA.</th>
<th>China</th>
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<tbody>
<tr>
<td>15.7 billion</td>
<td>$4.2 billion</td>
<td>$44.4 billion</td>
<td>$26.5 billion</td>
<td></td>
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<tr>
<td>World Rank</td>
<td>#3</td>
<td>#5</td>
<td>#1</td>
<td>#2</td>
</tr>
<tr>
<td>Growth (YOY)</td>
<td>5.2%</td>
<td>10.5%</td>
<td>6.7%</td>
<td>9.1%</td>
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<tr>
<td>Digital Music</td>
<td>$767 million</td>
<td>$320 million</td>
<td>$5.2 billion</td>
<td>$816 million</td>
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<tr>
<td>ePublishing</td>
<td>$2 billion</td>
<td>$663 million</td>
<td>$8.3 billion</td>
<td>$1.7 billion</td>
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<tr>
<td>Video on Demand</td>
<td>$1.8 billion</td>
<td>$439 million</td>
<td>$13.8 billion</td>
<td>$2.3 billion</td>
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<tr>
<td>Video Games</td>
<td>$11.2 billion</td>
<td>$2.8 billion</td>
<td>$17 billion</td>
<td>$21.7 billion</td>
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</table>
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