

Chapter 1

Background of this Study

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CHAPTER 1

Background of the Study

1. Objectives

The content industry is continuously growing globally, including among members of the Association of Southeast Asian Nations (ASEAN). In 2013, the first phase of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) verified the size of the content industry and its growth in each country based on market and industry data. Analysed statistics elaborated the structure of the industry and estimated its contribution to each country's economy and market forecast. The FY2012 Report categorised case studies and the ripple effects of content imports and exports, and the policy measures implemented in each member country, and then conducted strength/weakness–opportunity/threat (SWOT) and value-chain analyses. The results, which indicated the potential of the region's content industry and the common recognition of characteristics and issues, were utilised to build the basis of the policy recommendations.

This report on the second-phase study focuses on stakeholders' evaluation of policies promoting the content industry, particularly the effectiveness and necessity of certain policy areas or policy activities. It aims to assess the policies of all the member countries and to identify policy areas where they can work together to enhance the content industry.

First, this study analyses market trends and updates the data on the content market in each member country.

Second, this study categorises 15 policy activities, taking into account the main evaluation items for further analysis: the results from the first-phase research, precedent studies, and interviews with content industry stakeholders. Each member country conducted a questionnaire-based survey to evaluate content industry policies respondents, including content business companies ('companies'), industrial organisations, academic experts, policymakers, and governments. This report shows the survey results by country (Chapters 5 to 12) and by region (Chapter 13).

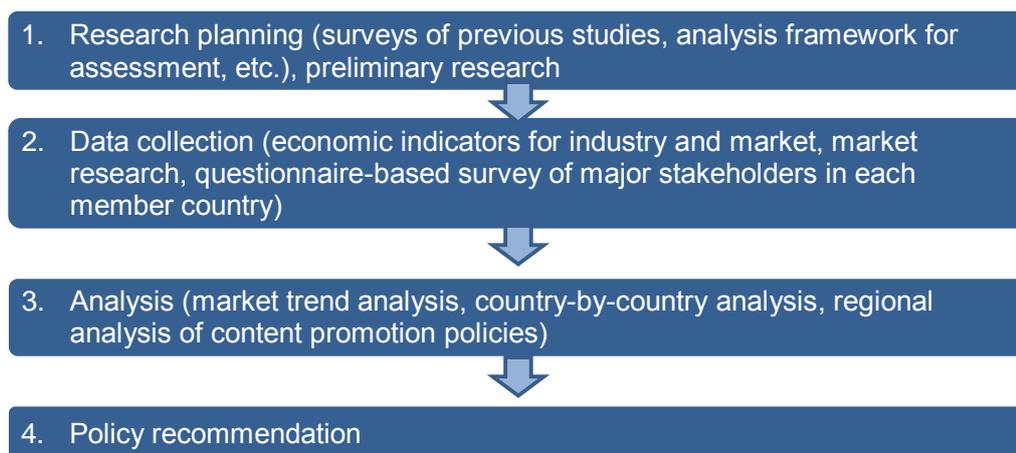
Finally, the most recent survey results were used to identify high-priority policy activities and to update the FY2012 Report's policy recommendations. They should guide government and industry in all member countries for them to better understand the region's situation and issues, further promote the content industry through collaboration, enhance value-chain development, and strengthen regional competitiveness. The recommendation shares the goal of ASEAN's plan for regional economic integration by 2015 (ASEAN Economic Community) and will contribute to formulating the post-2015 content industry plan.

The framework for analysis and research items was planned, then policy areas and activities were categorised through preliminary research and discussions among member countries. For market trend analysis, basic data of each country's content industry were gathered through an external database and reorganised for comparison to review the industry's overall growth potential.

2. Framework and Methodology

2.1. Study flow

This report took the following steps:

Figure 1-1: Study Flow

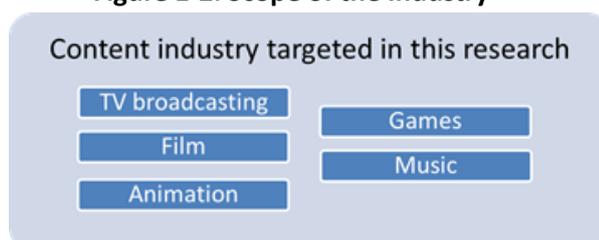
Source: Authors.

For policy evaluation, a questionnaire-based survey was designed and conducted by each member country. The survey results were analysed by country and by region, which led to the recommendation of policies that should be implemented or improved to better develop the region's content industry.

2.2. Target countries and industries

This report covers the study results of China, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, and Thailand.

Figure 1-2 defines the content industry as used in this study. It focuses on audiovisual (TV broadcasting, film, animation) and related industries (games, music). Globally, these five industries are seeing steady market growth (Chapter 2). In general and in terms of statistics and related industry data, these commonly recognised categories lower the barrier of cross-country comparison and analysis.

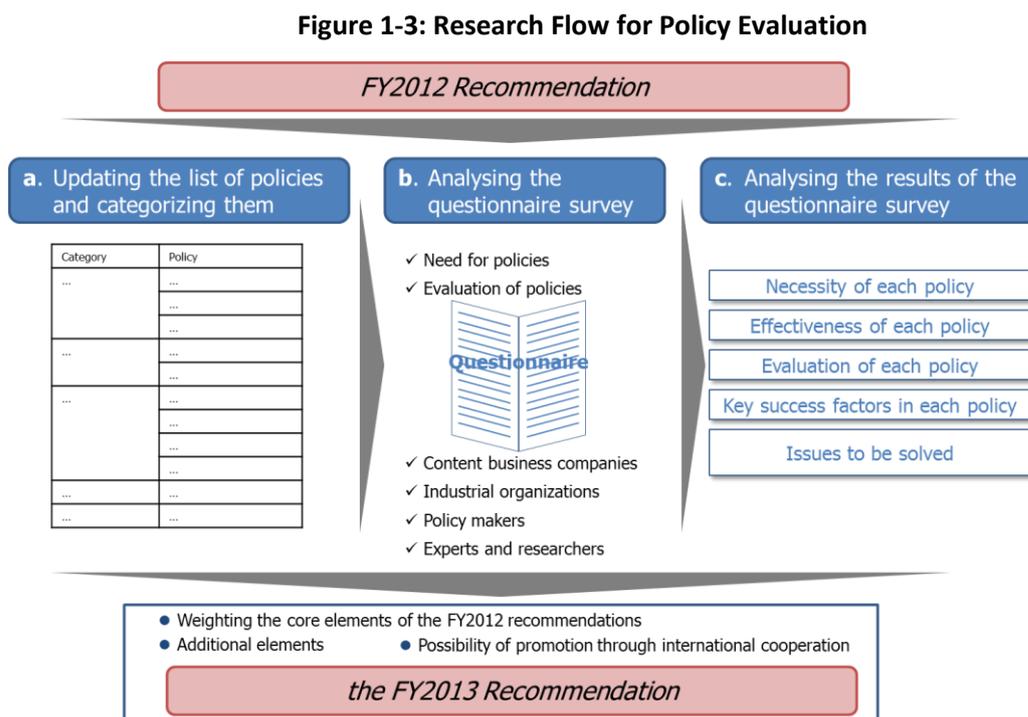
Figure 1-2: Scope of the Industry

Source: Authors.

This study does not discuss particular policies corresponding to particular subsectors, but takes account of common issues and general policies covering different subsectors or markets.

2.3. Research Framework

Figure 1-3 describes the research flow of policy evaluation: (a) updating and categorising the list of policies (Chapter 3), which, with the policy evaluation methodology (Section 2.4), is taken into account in designing a questionnaire-based survey; (b) analysing the questionnaire survey results (Section 2.5) by country and by region; and (c) focusing on each policy’s necessity, effectiveness, evaluation by stakeholders, and key success factors, and on issues to be solved.



Source: Authors.

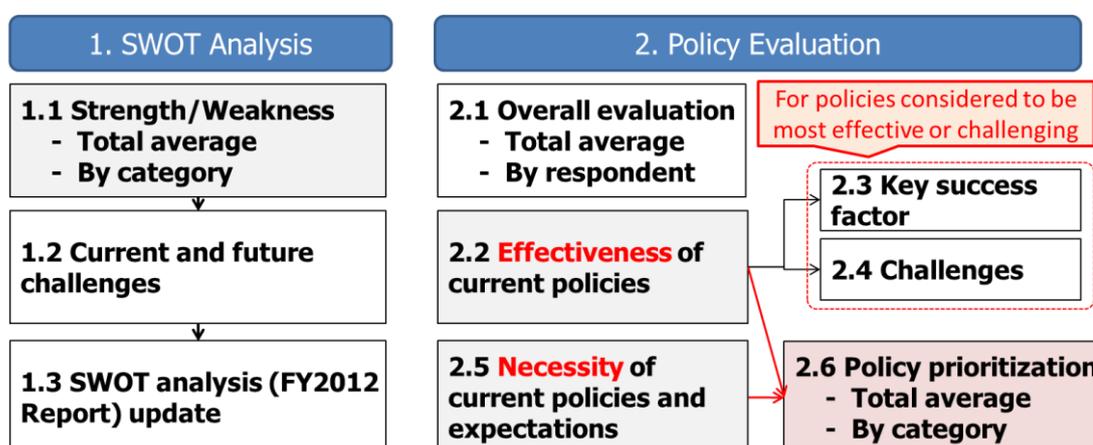
2.4. Methodology for policy evaluation

2.4.1. Analysis items

Figure 1-4 outlines the fundamental analysis items in this study:

- (a) **SWOT analysis.** Strengths/weaknesses are internal factors, and opportunities/threats are external.¹ This framework is adopted to understand similarities and differences among member countries covered by the study and was used in the FY2012 Report. This study updates it by taking into account the results of the questionnaire-based survey.
- (b) **Policy evaluation.** This study focuses on the effectiveness and necessity of policies and prioritises them by quantitatively analysing the survey results.

Figure 1-4: Analysis Items



Source: Authors.

2.4.2. Prioritisation of policies

For simplicity, this study defines the performance indicator of policy activities as a unique metric that provides the quantitative degree of priorities for each policy: the lower the figure, the higher the priority of policy improvement.

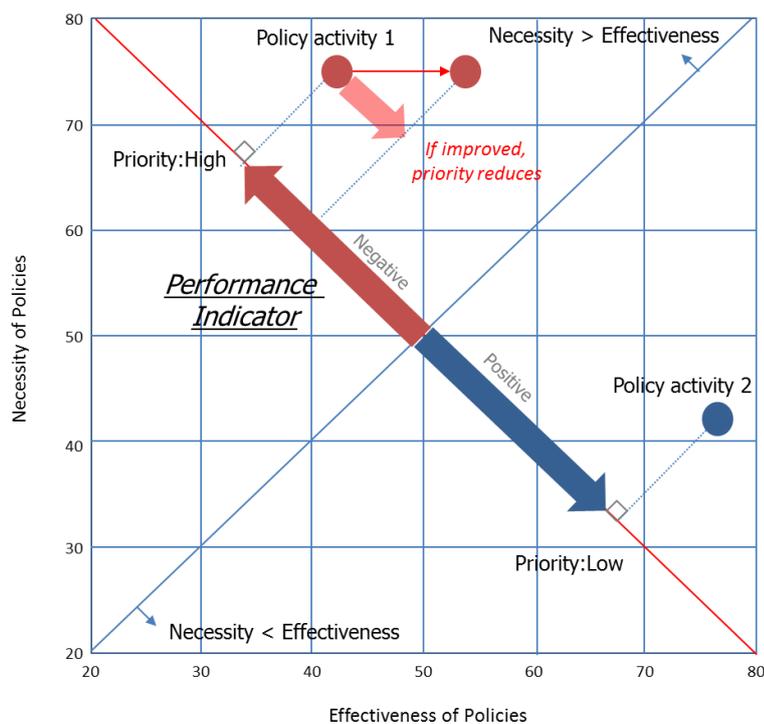
The questionnaire survey's quantitative outcomes for each policy activity's necessity and effectiveness are converted into deviation values to relatively map the results (Figure 1-5). Each plot in the figure describes the policy activity. Necessity equals

¹ For details, see the FY2012 Report.

effectiveness at the 45-degree line. The performance indicator represents the distance between the plot and the 45-degree line. Therefore, if the plot is placed on the upper-left side of the 45-degree line, the indicator is negative (necessity is greater than effectiveness), implying relatively low performance of the policy activity, and requires improvement (high priority). Conversely, if the plot is placed on the lower-right side of the 45-degree line, the indicator is positive (necessity is less than effectiveness), implying that the performance of the policy activity is relatively high (low priority).

Figure 1-6 shows an example list of performance indicators for 15 policy activities.

Figure 1-5: Definition of Performance Indicator



Source: Authors.

Figure 1-6: Example List of Performance Indicators

Policy Activities	Performance Indicator	
1. Communicate industrial development visions, master plans, statistics	- 0.6	
2. Stimulate establishment of industrial clusters, market development, new business models	5.6	
3. Support industry-led organizations to aggregate industrial interests and/or functions	2.6	← Above 0 = Effectiveness > Necessity = Low priority
4. Support building of business relationships	7.2	
5. Establish international agreements	- 2.9	
6. Promote brands and campaigns, international trade events and meetings	- 2.0	
7. Establish standards, qualification and/or certification framework for related skills and knowledge	3.1	
8. Support for education	- 5.2	← Below 0 = Effectiveness < Necessity = High priority
9. Introduce incentive schemes to encourage investments	- 9.8	
10. Establish governmental financing schemes to promote private financing	3.4	
11. Establish technological standards to ensure interoperability	- 0.7	
12. Foster R&D and technological innovation, develop communication networks and media	- 1.4	
13. Introduce and review regulatory frameworks for market entry, content quotas	- 1.4	
14. Introduce and review intellectual property rights protection, management, anti-piracy measures	- 2.7	
15. Introduce and review content-rating framework	4.7	

Source: Authors.

2.5. Questionnaire-based survey

2.5.1. Selection of respondents

The survey aimed to collect opinions and ideas from stakeholders in each member country's content industry. Respondents were categorised into companies, industrial organisations and academic experts, and policymakers (e.g. ministries, regulators). Some questions were solely for company respondents (Appendix 4).

The initial number of target respondents was set based on what the working group member countries considered desirable and feasible. Each country aimed to collect at least 20 replies, which would have totalled 160.

The number of replies from each country was insufficient to be statistically significant. Due to time and budget constraints, however, the survey dispensed with its aim of covering each country's content industry in a statistical manner with a sufficient

number of survey samples,² and instead aimed to assess the industry’s overall condition and issues by covering the major players. Instead of being interviewed on site, respondents were given large sets of questions, the answers to which could be evaluated in detail and provide consistent assessment on various issues. The questionnaire survey results were analysed, evaluated, and referenced with other research results in this study, such as policy implementation (Chapter 4) and market trend analysis (Chapter 2).

Table 1-1 describes the categories of respondents and initial target per country. Respondents were selected by the working group, with the industry structure and survey objectives as the main considerations.

Table 1-1: Description of Respondent Categories and Initial Targets per Country

Category	Description	Initial Target (number of respondents)
Content Business Companies	<ul style="list-style-type: none"> - Companies engaged in content business (TV broadcasting, film, animation, games, music) - Variety in terms of value chain (production, aggregation, distribution, etc.) is preferred. - Company size should be carefully considered, as certain policies favour big, medium-sized, and small players. 	10–15
Industrial Organisations, Academic Experts	<ul style="list-style-type: none"> - Organisations promoting content business domestically, regionally, and internationally (marketing, networking, exportation, funding, etc.) - Not limited to pure industry-led organisations (government-supported organisations can be included) - Academic experts 	1–4
Policymakers, Government	<ul style="list-style-type: none"> - Government organisations in charge of promoting content industry, regulatory bodies - Not limited to a single respondent from one organisation 	4–6

Source: Authors.

² Statistical data on each country’s industry and market structure were too limited to ensure statistical significance in a quantitative manner.

2.5.2. Collection process

The survey was conducted via a web-based questionnaire (except for some respondents who used paper survey sheets) in English (Indonesia, Malaysia, Philippines, and Singapore) or in translation (China, Korea, Japan, and Thailand).

Table 1-2 shows the total number of responses in eight countries. Due to limited time and resources, the number of replies collected in each country varies.

Table 1-2: Number of Responses

Country	Respondent Category			Total
	Company	Industrial Organisation or Academic Expert	Policymaker (e.g. ministry, regulator)	
China	9	5	–	14
Indonesia	5	2	3	10
Japan	15	12	5	32
Korea	12	7	3	22
Malaysia	14	2	2	18
Singapore	22	1	1	24
Philippines	19	6	5	30
Thailand	22	5	4	31
Total	118	40	23	181

Source: Authors.