Media Business Model Innovation

A comparative case study of Multi-Channel Networks

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Abstract

This research explores the multi-channel networks from the business perspective in responding to current challenges in the turbulent industry. Since some of the giant channel networks has diminished, some voice anticipates the demise of the MCNs, and the boundary of its roles is somewhat vague and fuzzy in the media industry. This research is designed for three purposes. First, clarifying its specialties compared to the other players in the media field. Second, to find how the channel networks resolve the current challenges in a business model innovation lens. Third, to reveal the different dynamics in non-American countries in order to see how environmental factors affect the MCN's performance. Therefore, three existing multi-channel networks are selected to analyze in different regions, Sweden, South Korea, and the U.K. The regions are chosen to compare on a global spectrum, and four employees of the selected companies participated in a qualitative, semi-structured interview. In order to analyze the case units, an analytical framework is designed based on the business model and business model innovation literature. Also, the relevant theoretical propositions are introduced to explain the surrounding issues with new concepts. As a result, there are three findings. First, the three MCNs have interdependencies with traditional media players such as talent agents and advertising agencies and established broadcasters. Also, they have evolved based on new digital technologies as a convergent space. Second, there are some external driving forces around the MCN industry as dynamic contexts, and the three cases are influenced by the environmental forces. As a result, some opportunities and challenges are found in technology, regulation, and market contexts. Lastly, the 4C roles of MCN business models, namely, communication, community, content, and commerce, are defined as an attempt to formalize the industry. Since the topic is relatively understudied, and there is no study on a global spectrum with the empirical data that covers three distinct countries, this research can be a cornerstone to see the different dynamics of multi-channel networks around the world.

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1. Introduction

One of YouTube's biggest multi-channel networks (MCNs), Machinima, is dead. The company officially terminated its business in February 2019 (Onanuga, 2019). After one of the landmarks is gone, some opinions arose whether there is a future for similar MCNs or not. The MCN business has been controversial since its emergence with YouTube's new commercial ecosystem. Although there was a transformation to multi-platform networks, the industry is still turbulent, and their actual role is confusing. One of the most famous YouTuber, PewDiePie previously had a partnership with the big-name networks, Machinima and Maker Studios, but the experience resulted in some legal actions with a massive dissatisfaction (Tassi, 2014). However, some argue that MCNs have reinforced their value proposition with new services and expansions in the evolving markets, and there are some burdens that a single creator cannot handle alone (Crawford, 2017; Alexander, 2019). This research began with a motivation to seek for the specialties of the channel networks from the business perspective. The media industry has witnessed the disruptive business model innovations for the past few years, such as Netflix, Amazon, and Uber (Pisano, 2015). The business model and its innovation lens allow an analytical framework to understand a company's value system and its value-adding process. Therefore, three existing multi-channel networks are selected to analyze in different regions, Sweden, South Korea, and the U.K. The regions are chosen to compare on a global spectrum, and four employees of the selected companies participated in a semi-structured interview. Since there is no study of this topic that covers such distinct countries, this research can be a cornerstone to see the different dynamics of multi-channel networks around the world.

1.1. Multi-Channel Networks

YouTube introduced a video sharing space in 2005 as a social vehicle not only communicate with each other but also exchange information and building Internet communities (Van Dijck, 2013). Google noticed its significance; therefore, Google acquired YouTube in 2006 by infusing a market mechanism with the ContentID system (Lobato, 2016). The Content ID system matches every uploaded content with submitted copies from copyright holders, and when there is matched-content, the system instantly executes the copyright claimant's preferences, such as block, track, or monetization via pre-roll and overlay advertisements (Soha & McDowell, 2016). This new system enabled a novel revenue stream by solving copyright issues and constructed a commercial ecosystem on YouTube (Lobato, 2016). To thrive in the

YouTube commercial ecosystem, Google adopted a traditional advertising algorithm based on cost-per-thousand views (CPMs). Also, Google already had a data-driven capacity for targeted advertising from Google Analytics (Craig & Cunningham, 2019). Therefore, Google introduced its AdSense technology to YouTube in 2007, which allows content creators to feature advertising on their pages such as semitransparent banner ads overlaid on top of the videos (Craig & Cunningham, 2019). Subsequently, YouTube started the programmatic advertising and creator partnership with AdSense technology, and this became a background of the emergence of Multi-Channel Network business models (Vonderau, 2016). Therefore, the first version of the MCN business model was designed to assist creators on YouTube in exchange for a percentage of creators' advertising revenue (Lobato, 2016).

According to YouTube Help on its official website, YouTube defined MCNs as third-party service providers that "affiliate with multiple YouTube channels to offer services that may include audience development, content programming, creator collaborations, digital rights management, monetization, and/or sales" (2019). Under YouTube's roof, there are two different types of networks. The first type is the one that manages 'affiliate channels' at scale with affiliate content owners, while another type is the network that owns & operates (O&O) channels. In the case of O&O, the channel networks (MCNs) have the right to content with full liability on YouTube (YouTube, 2019). YouTube specified that the reason for differentiating them is to apply different policies and channel features with clarity and fairness (YouTube, 2019). However, YouTube clearly stated that YouTube or Google does not endorse the partnership with channel networks (YouTube, 2019). YouTube also provides 'YouTube Certified Program' to help eligible creators and channel networks to use advanced YouTube systems and tools (YouTube, 2019). In the program, there are three distinct courses in business aspects, which are 'content ownership', 'asset monetization', and 'music course' (YouTube, 2019). This program was used to be available to everyone, but from October 31th 2019, YouTube Certified course eligibility has changed (YouTube, 2019). Now the courses are only open to creators and channel networks with access to Content ID (YouTube, 2019).

1.2. Evolution of MCN Business Models

The history of MCNs is along with the history of social media platforms. After YouTube's success, a vast number of social media firms attempted to emulate YouTube's strategies to

compete for audiences, subscribers, advertisers (Craig & Cunningham, 2019). MCN 1.0. is a version when there was only the advertising sharing revenue system with YouTube. However, the emergence of second-generation platforms, which are web-based and mobile applications, such as Instagram, Snapchat, Twitch, enabled to begin a competition between 2010 and 2014 (Craig & Cunningham, 2019). As a result, creators started to shift beyond YouTube, and this competition with new startups caused a collapse of MCN 1.0 (Craig & Cunningham, 2019). After the collapse, the consequence was to diversify the creator's revenue streams with licensing, merchandizing, TV deals, and live appearances with various platforms (Craig & Cunningham, 2019). Also, this resulted in MCN 2.0 with the new name, multi-platform networks (MPNs) (Gardner & Lehnert, 2016). At the same time, following Disney's acquisition of Maker Studios, there was a big boom primarily in the U.S. that the large media companies either invest or acquire MCNs or established in-house MCN subsidiaries (Chang & Kim, 2018).
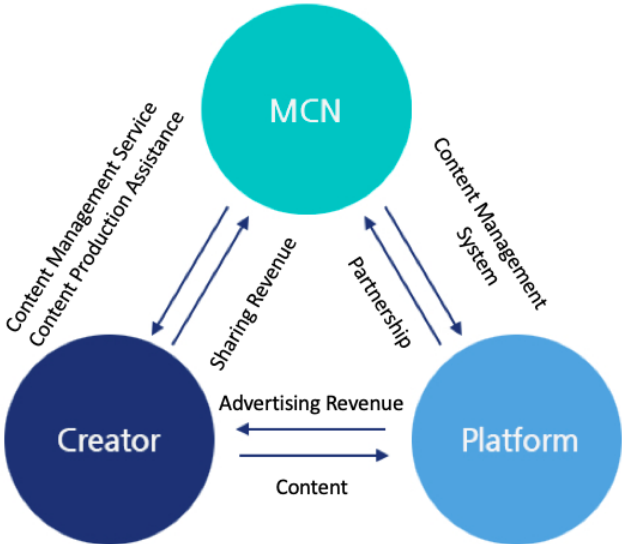
Figure 1. MCN 1.0 Business Ecosystem (Source: KMCNA)

However, the acquisition trends did not result in favorable circumstances. Interestingly, although the pioneer MCNs in the U.S., chased and joined a big-size of media companies, their management system was not big enough to take care of all creators. Many types of complaints surfaced because of the unprofessional management system (Gerhards, 2019). For instance, MCNs only took care of top-tier creators or forced unfair contracts with an unreasonably long-term period (Gerhards, 2019). Therefore, MCNs encountered a backlash from creators, especially the world-leading creators such as PewDiePie and Michelle Phan's conflict stories draw public attention. Creators started to question whether they even need MCNs, and the

constant issues made people anticipate the demise of the MCN business model (Patel, 2016). However, the MCN business model did not disappear. Instead, it has evolved, not only in terms of covering more platforms (MPN) but also in terms of innovating their services and revenue streams. Their business areas are expanded across niches, geographies, formats to include talent management, advertising, branded-content, subscriptions, and licensing services (Ermitanio, 2017). At the same time, its evolving history spawned a confusion of using the term 'MCN' because now creators play outside of YouTube as well. To respond to that, one of the popular alternatives is a multi-platform network (MPN) as a social video-focused company, "but this is a misnomer because MPN is for companies that build their distribution platforms" (Crawford, 2017). Also, the content is mere across multiple distribution channels; therefore, the term, Multi-Channel Network sounds still appropriate (Crawford, 2017).
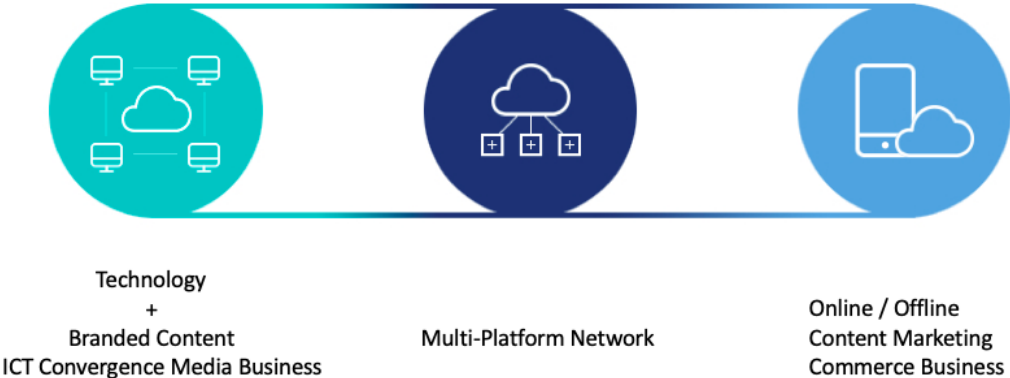
Figure 2. MCN 2.0 Key Business Dimensions (Source: KMCNA)

1.3. Previous Studies

Since MCNs have a short business history, this topic is relatively understudied and not yet notable in the media research field. Therefore, there is a limit to literature and empirical studies. Although MCNs first appear a decade earlier, attention as a subject of study started in 2014. First of all, Mann noticed the MCNs as a "para-industry" that has grown rapidly in the absence of a formal industrial structure (2014, p. 30). Mann criticized MCN's unequal management system in reality and the monetization via AdSense because the process is such a surveillance system (Mann, 2014). Therefore, Mann argued that the MCN management system should change its system in a new digital labor economy (2014). On the other hand, Gardner and

Lehnert attempted to define the MCN business model by emphasizing the importance of creators' branding capacity with MCNs (2016). Gardner and Lehnert's asserted that a crucial key for MCNs to survive in the media industry is to keep creating sustainable and profitable business models (2016). Similarly, Lobato focused on YouTube's cultural-economic impacts in screen production industries and examined how opening third-party intermediaries like MCNs change the digital video ecology (2016). In Lobato's point of view, MCNs are a kind of intermediary that is similar to the existing media profession, "such as agents, brokers, and distributors, but they are also unlike anything that media industry research has dealt with before" (2016, p.350). Lobato argued that since YouTube is co-governed by MCNs as cultural intermediaries, MCNs need to have unique expertise to success in digital video ecology, and this industry should be more formalized (Lobato, 2016).

Vonderau followed the notion of Lobato's study, but from a relatively critical perspective. Vonderau argued that there should be a consideration regarding how MCNs draws market frames around, and how they "symbiotically immersed into YouTube's overflow ecology" (2016, p. 6). Vonderau claimed that MCNs "have decelerated the momentum for aesthetic creation" on YouTube's infrastructure, also MCNs have contributed "an asymmetric relationship between users and the YouTube infrastructure" (2016, p. 9). Moreover, professionalizing via MCNs is more likely to join YouTube's franchise system, and that is problematic because the high levels of control by unstable enterprises may cause weak labor force, a low-paid in the insecure base (2016). In a different perspective, Gerhards studied creators' experiences with advertisers on YouTube about product placement advertising (2017). As a result, Gerhards pointed out that MCNs in the online marketplace has a lack of professionalization at the operational level (2017). Lastly, Cunningham has solely or jointly studied MCNs, and its surrounding topics since YouTube's commercial ecosystem thrived in media studies (Cunningham & Silver, 2013; Cunningham, 2015; Cunningham, Craig & Silver, 2016; Cunningham & Craig 2019). Cunningham captured the dynamic phenomena of the new screen media with an ecological approach in economics perspective to generate a theoretical framework. Since Cunningham has a relatively high number of researches that summarize surrounding issues of MCNs in the theoretical framework, some of his relevant literature is following to review in the next chapter.

1.4. Case Introduction

The three cases are subject to be analyzed in this research. The three cases are all existing MCN companies in different regions. The first case is the Swedish company, United Screens. The company was established by Malte Andreasson, Stina Bergfors and Bonnier Ventures in 2013 in Stockholm, Sweden (RTL, 2018). The company has offices in each capital of Finland, Norway, and Denmark (RTL, 2018). United Screens positions itself as Nordic's leading online video network and it is the largest network in terms of watch time and in terms of turnover and financial results (United Screens, 2019).

On the other hand, the second case is the South Korean MCN called Treasure Hunter. The company was founded by Jaeryong Song in 2015 (Kwak, 2019). Since the start, there has been a remarkable growth that resulted in five overseas branches to manage global partners in China, Hong Kong, Malaysia, Indonesia, and Thailand (Treasure Hunter, 2019). The company positions itself as Asia's leading media content network. The company has expanded its revenue streams by opening various subsidiary companies to seek a variety of ways to commercialize digital content.

The third case company is Brave Bison in the U.K. The company was founded in 2011 with the name, Rightster. The company's vision was to leverage digital performances by engaging social audiences (Brave Bison, 2019). In 2016, Rightster built an in-house production studio to produce content primarily on YouTube and Facebook, and at the same time, the company rebranded its name as Brave Bison (Brave Bison, 2019). Brave Bison positions itself as a social partner that works with brands, creators, and platforms in order to create, distribute, and monetize video in a digital world (Brave Bison, 2019). Brave Bison launched an APAC headquarter in Singapore, and other offices are about to open in Japan, South Korea, and Thailand (Brave Bison, 2019). APAC stands for Asia-Pacifica, a collection of countries located in or near the Western Pacific Ocean (World Population Review, 2019)

Elements	United Screens	Treasure Hunter	Brave Bison
Founded	In 2013	In 2015	In 2011
Headquarter	Sweden	South Korea	The UK
Offices	Norway, Denmark, Finland	China, Hongkong, Malaysia, Indonesia, Thailand	Singapore (headquarter), Japan, Thailand, South Korea
Position	Nordics leading network	Asia's leading media content network	Social Partner
Number of employees	65	150	65
Parent company / Subsidiaries	RTL group / United Screens Music	Leferi Beauty Entertainment, Star E&M, Lattuo, Playground, Cremarket, CollLab	-

Table 1. Case Introduction

1.5. Rationale of the Research

Multi-Channel Networks are controversial. The MCN business has evolved along with the emergence of the new social media, regardless of its adverse reputation history. However, since there are various platforms to monetize with given analytics tools, people question whether the MCN business model is necessary for digital media. The question is arising from the somewhat vague and fuzzy boundary of its roles as a middleman. Therefore, firstly, this research has the purpose of clarifying its specialties compared to the other players in the media field. Also, following the previous studies, many scholars criticized its precarious management system and its limited business models as in the informalized industry. Therefore, the second purpose is to see how MCNs try to resolve these challenges in a business model innovation lens. Also, the recent studies on channel networks tend to focus on the American giants, and the others outside of its origin country have relatively understudied this topic. Therefore, lastly, this research aims to see the different dynamics in non-American countries to see how the environmental factors affect the MCN's performance. In this way, each distinct MCN can compare each other as well as understand the global tendency. Furthermore, this small step to resolve the current challenges in each region will contribute to formalizing the entire channel network industry.

1.6. Research Questions

In order to fulfill the purposes, three research questions with the case units are made. The first question is for identifying business models of the case units and clarifying their roles in the media sector. Also, since this research aims to collect data from three distinct regions across the continents, various dynamic contexts are expected to see in each region. Therefore, the second question is designed to investigate the dynamic context in technology, regulation, and market that may affect the channel network businesses. Lastly, the third question combines the other two questions by asking how the case units can utilize the revealed dynamic contexts in each region in order to innovate their business models.

RQ1: How do United Screens, Treasure Hunter, and Brave Bison characterize its business models?

RQ2: How do technology, regulation, and market dynamics affect the United Screens, Treasure Hunter, and Brave Bison's business models?

RQ3. How do United Screens, Treasure Hunter, and Brave Bison innovate their business models in the dynamic contexts?

1.7. Structure

This research has a total of five chapters that are introduction, literature reviews, and theoretical framework, methodology, result analysis, and discussion with conclusion. In the second chapter, there are three sections, and the first section has four sub-sections, while the second and third sections have each three sub-section. In the first section, the relevant literature is reviewed to find the components of the business model design. Since there are no uniform definition or framework of the business model and business model innovation concepts, a new framework of the concepts was required to construct. Therefore, the first section is focused on business model design while the second section is about the business model innovation process in the media sector. In the third sector, the theoretical propositions and some relevant concepts are presented to explain the current phenomena and the attributes of the MCN business. In the methodology chapter, there are five sections. The first section shows how the research method is selected, and the second section builds a conceptual framework as a guideline of the inductive

case study. The third section is presenting the case selection, while the fourth is data collection and analysis with explanations of the primary and secondary data. Subsequently, the fourth chapter is the result analysis that involves five sections representing each category of the primary data from the coding framework. Lastly, the fifth chapter is the discussion and conclusion based on the results and findings of this research.

2. Literature Review and Theoretical Framework

There are three sections in this chapter. The sections involve each topic that connects to the data analysis in this research. First of all, in order to analyze the case units, designing an analytical framework is such a necessary process. Therefore, the first section focuses on the business model literature, which includes some crucial components of the business model concept. The second section is concerning innovation and its theoretical framework. Some clarification follows to fully understand the concept and its subtle boundary by literature reviews. Lastly, the third section addresses the theoretical propositions that are related to MCNs and its surrounding issues in the industry. According to Wilson, "a literature review can be described as identifying, evaluating and critically assessing what has been published on the chosen topic" (2014, p. 62). Therefore, the primary purpose of this literature review is to acknowledge existing researches on the three topics (business model, business model innovation, multi-channel network) and fully understand the relevant concepts to develop its existing theoretical framework in a combination of other topics.

2.1. Business Model Framework

Over the past few years, the field of business models has developed from defining business models, via exploring business model components and classifying business models into categories, to developing descriptive models (AI-Debi, EI-Haddadeh, 2010; Osterwalder et al., 2010). Therefore, there is a massive body of literature on the business model subject. According to Foss and Saebi, there have been over 1,200 articles published in peer-reviewed academic journals regarding the business model between 1995 and 2000 to address the notion of business model across strategy, entrepreneurship, and innovation literature (2015). However, there is still no uniform definition or taxonomy of what business model is (Günzel & Holm, 2013). Despite Porter's argument that "a definition of business model is murky at best" (Porter,

Michael, & Gibbs, 2001, p. 73), this research needs a robust framework of the business model in order to analyze the case units mutually. Therefore, in this section, there is an attempt to build a business model framework as an analytical tool of the case units by conducting in-depth literature reviews in business models. The selected literature is on the basis, (1) literature that assumes business models can be (re-) designed, (2) literature that presents business model components, (3) literature that identifies relevant elements in digital domain businesses.

2.1.1. Business Model Design

Christoph Zott and Raphael Amit conceptualized the design parameters of a business model in an article *Business Model Design: An Activity System Perspective.* The authors defined a business model as "a system of interdependent activities that transcends the focal firm and spans its boundaries" (2010, p. 216). The activities in the business model are such as an engagement of human, physical, or capital resources to fulfill the overall objective that can be obtained by exploiting opportunities and creating values for the involved parties (Zott & Amit, 2010). Zott and Amit divided the activities into two different levels. At the high levels of the activity aggregation, activities could be accounting or human resource management that comprise whole business functions as necessary activities to make money (2010). At low levels of aggregation, activities could be dealing with customer emails or translation of product manual (Zott & Amit, 2010). A set of interdependent organizational activities refer to as an activity system, and capturing this set is the essence of creating a new business model because the architecture of the activity system is the result of the activity choices (Zott & Amit, 2010). However, a business model based on a well-captured activity system does not guarantee a high volume of revenue stream because although the business model pursues value creation for all parties, the actual value is dependent on the company's price strategy or revenue model (Zott & Amit, 2010). In other words, to succeed the business, there should be the right strategy along with the business model. Moreover, the interdependencies among activities are also central to the concept of an activity system because it provides insights into the process of a company's evolution over time as its competitive environment changes (Zott & Amit, 2010).

Zott and Amit revealed two sets of design parameters, which are 'design elements' and 'design themes', and also argued that those parameters help to capture the firm-centric design of the activity system (2010). First of all, the first set of design parameters consists of three design elements, which are 'content', 'structure' and 'governance' (Zott & Amit, 2010). The

content refers to the selection of activities, while the structure refers to how those activities are linked (Zott & Amit, 2010). Activity system governance indicates people who perform those activities (Zott & Amit, 2010). Therefore, the first set of design parameters are these three design elements that describe the architecture of an activity system (Zott & Amit, 2010). On the other hand, the second set of design parameters are the design themes that describe the source of the activity system's value creation (Zott & Amit, 2010). As a crucial point, these two sets of design parameters (design elements and themes) are highly interdependent because, ultimately, designing an activity system is about how a company does their business; thus, the two sets of parameters are connected and influence each other (2010).

The design themes are, namely, Novelty, Lock-in, Complementarities, and Efficiency (NICE) (Zott & Amit, 2010). According to the previous researches, the authors found out that there are common design themes that enable to connect to the design elements of the activity system (2010). The first finding theme is 'novelty', the authors revealed that the essence of novelty-centered activity system design was "the adoption of new activities (content), and/or new ways of linking the activities (structure), and/or new ways of governing the activities (governance)" (2010, p. 221). Also, the second was that activity systems could be designed for 'lock-in' which points out their power to keep third parties attracted as business model participants (2010). The third-party could be a consumer, and the lock-in themed activity system can occur through activities such as switching costs or network externalities (2010). More explicitly, when a consumer changes brands, suppliers, or products, that incurs costs, and when the consumer uses the new product or service, others follow to use the same or compatible products or services. These kinds of activities are derived from the structure, content and/or governance of the lock-in theme and that activities contribute to keeping participants amused in order to induce a revenue stream. On the other hand, the third theme of the activity system is 'complementarities' that present the situation when bundling activities provides more value than running activities separately (Zott & Amit, 2010). Organizing marketing and distribution activities within a single business model is more advantageous because they can complete each other. The last design theme is 'efficiency-centered design' (Zott & Amit, 2010). This theme indicates how companies use their activity system design to achieve greater efficiency by reducing transaction costs (Zott & Amit, 2010). The authors argued that "a business model is a template of how a company conducts business, how it delivers value to stakeholders, and how it links factor and product markets" (2010, p. 222).

This activity system perspective enabled to provide "systemic, holistic thinking in business model design, instead of concentrating on isolated choices" (2010, 223 p). As well as the fundamental ideas of what is a business model, and at which point, the business model design process can start. However, its argument does not give detailed information about how a business model builder can utilize the framework in practice. For instance, what are the criteria to distinguish activities to place in the three-element (content, structure, governance) categories? Also, there is no strong argument of why the novelty, lock-in, complementarities, and efficiency are chosen, and how a business model builder can derive the design themes. Nonetheless, the three design elements and NICE themes seem uncontroversial because the authors described the fundamental components of business models based on other previous researches. Also, the two sets of design parameters seem reasonable to be a foundation of a business model framework in this research.

Design Elements

Content	What activities should be performed?
Structure	How should they be linked and sequenced?
Governance	Who should perform them, and where?

Design Themes

Novelty	Adopt innovative content, structure or governance
Lock-In	Build in elements to retain business model stakeholders
Complementarities	Bundle activities to generate more value
Efficiency	Reorganize activities to reduce transaction costs

Figure 3. Business Model Design Parameters (Zott & Amit, 2010)

2.1.2. Four Dimensions of Business Models

The authors in the article, *Defining the Business Model in the New World of Digital Business* aimed to clarify the business model concept in the field of Information Systems (IS), and Information and Communication Technologies (ICTs) because the business model concept is still unclear without a consensus definition (Al-Debi, El-Haddadeh, & Avison, 2008). According to AI-Debi et al., the traditional business operation was rather stable because there

was a low level of competition (2008). However, the new digital business is more complex, dynamic at the high levels of uncertainty and competition (AI-Debei et al., 2008). Moreover, the traditional business was executed like direct employment of business strategies into the process, while the new digital business requires more explicit business models that provide appropriate information and knowledge (AI-Debei et al., 2008). The authors revealed that the number of business model research was risen in 1990s, because the advent of IT-centered business required a new business model concept (2008). Therefore, the authors aimed to draw a guideline for developing a more comprehensive definition of business models by presenting four main business model concepts, values, and its interaction in a company.

AI-Debi et al., focused on a debate regarding the relationship between the business model and business strategy. Because some of the researchers see business model components as a set of business strategies while others argue that even though both concepts are related, they represent different levels of information (AI-Debei et al., 2008). The authors claimed that this confusion arose because there are differences between traditional ways and new ways of business operations (2008). Also, the high level of complexity and rapid change in the new digital business world created a gap between the business model and strategy which means translating business strategy into the business process became more challenging (AI-Debei et al., 2008). More importantly, the authors asserted that a business model is dependent on the company's business strategy and its business processes, therefore, this "relationship creates a unique strategic operational mix" with two intersections (2008, p. 6). In other words, the business strategy, business model, and business processes are such a harmonized package in the new digital business field, and this package requires continual reviews and consistency with the external factors (AI-Debei et al., 2008).
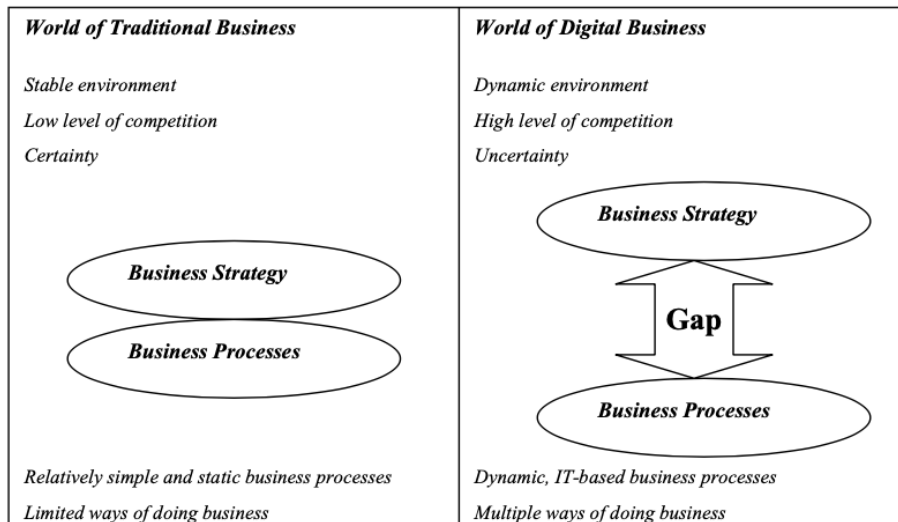
Figure 4. Comparison between the traditional and modern digital business (AI-Debei et al., 2008)

In order to have a deeper understanding of the arguments, another literature review follows here. According to AI-Debei and Avison (2010), there are four primary business model dimensions along the constituent elements to create an ontological structure of the business model concept. The 'V4 BM Ontological Structure' is in the figure 5, this shows the four dimensions and its connections between value proposition, value architecture, value network, and value finance (Al-Debei & Avison, 2010). The authors argued that the core arrangements of business models come with these four fundamental dimensions, which has a value-based mechanism (2010). In the authors' words, "each dimension aims to provide the market with desired values through the provision of services and products to capture economic values in return" (AI-Debei & Avison, 2010, p. 365).
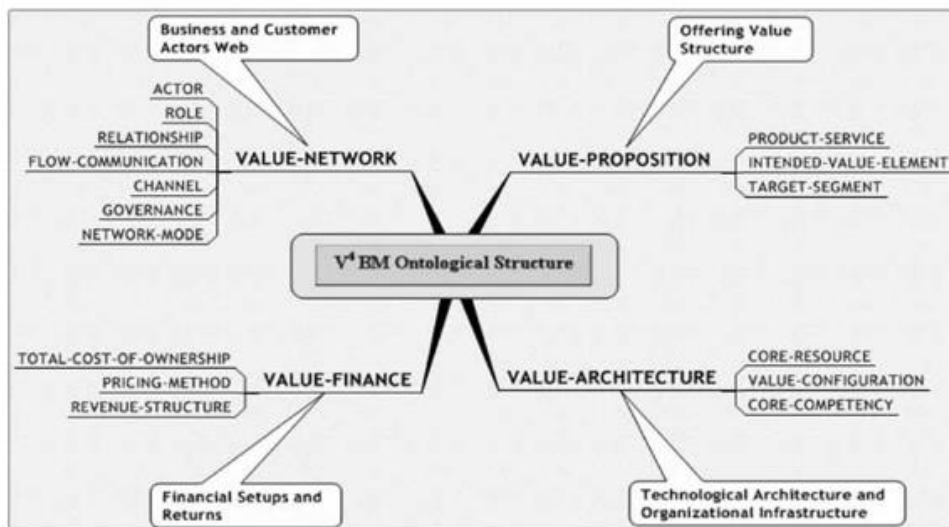
Figure 5. The V4 Ontological Structure of Business Models (AI-Debi & Avison, 2010)

First of all, the 'value proposition' dimension implies a description of the product and services that a digital organization offers with the relevant information, and the value elements are related to offerings and the targeted market segments (AI-Debei & Avison, 2010). Second, the 'value network' comprises the relationships with various stakeholders in a model of collaboration (AI-Debei & Avison, 2010). The third dimension is the 'value architecture' branch that describes a holistic view of a company's structure, such as its technological architecture, organizational infrastructure, and their configurations, including intangible assets, resources, and core competencies in the resource-based view (AI-Debei & Avison, 2010). Because the organizational and technological assets and resources allow more efficient roll-out of its product and service, and the new configuration enables to create rare, valuable, and non-substitutable resources (AI-Debei & Avison, 2010). Lastly, the fourth dimension is the value finance that consists of information related to costing, pricing methods, and revenue structure of the organization (AI-Debei & Avison, 2010). AI-Debi and Avison selected 22 different business model studies that researched previously, to build this V4 Ontological Structure of Business Models. This structure enables to understand how the value elements are allocated in each dimension of business models and also allow to have a holistic view of the entire structure of business models in a digital environment. Since the first version of the MCN business model arrived from the dynamic digital media based on the ICT developments, this V4 structure seems appropriate to be the structure of the analytical framework in this research.

2.1.3. Four Pillars and Nine Building Blocks

In the article, *Clarifying Business Models: Origins, Present, and Future of the Concept*, the authors aimed to clarify the concept of business models, the usages, and its role in the Information Systems Domain (Osterwalder, Pigneur, & Tucci, 2005). There was a broad range of the business model analysis with terminological and ontological approaches to conceptualize the elements of business models and to develop the business model framework, such as 'four pillars and nine business model building blocks' model. The authors identified the most common business model elements among other business models in previous researches and studied the components of business model building blocks. From the synthesis, the authors came up a definition that summarizes the crucial components in the model to visualize the stream of business processes.

A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value relationship capital, to generate profitable and sustainable revenue streams.

(Osterwalder, Pigneur & Tucci, 2005, p. 10).

Pillar	Business Model Building Block	Description
Product	Value Proposition	Gives an overall view of a company's bundle of products and services.
Customer Interface	Target Customer	Describes the segments of customers a company wants to offer value to.
	Distribution Channel	Describes the various means of the company to get in touch with its customers.
	Relationship	Explains the kind of links a company establishes between itself and its different customer segments.
Infrastructure Management	Value Configuration	Describes the arrangement of activities and resources.
	Core Competency	Outlines the competencies necessary to execute the company's business model.
	Partner Network	Portrays the network of cooperative agreements with other companies necessary to efficiently offer and commercialize value.
Financial Aspects	Cost Structure	Sums up the monetary consequences of the means employed in the business model.
	Revenue Model	Describes the way a company makes money through a variety of revenue flows.

Figure 6. Four Pillars and Nine Business Model Building Blocks (Osterwalder et al., 2005).

After five years, the authors developed and enhanced their argument from the four pillars and nine building blocks model towards a business model canvas in the book, *Business model generation: a handbook for visionaries, game changers, and challengers* (Osterwalder & Pigneur, 2010). The previous study has a lack of examples of each element and no descriptions of their interdependency. However, the business model canvas can complement to illustrate the interdependency of each element and explicate the nine business model building elements. Therefore, both models are embedded in this section, as figure 6 and 7.
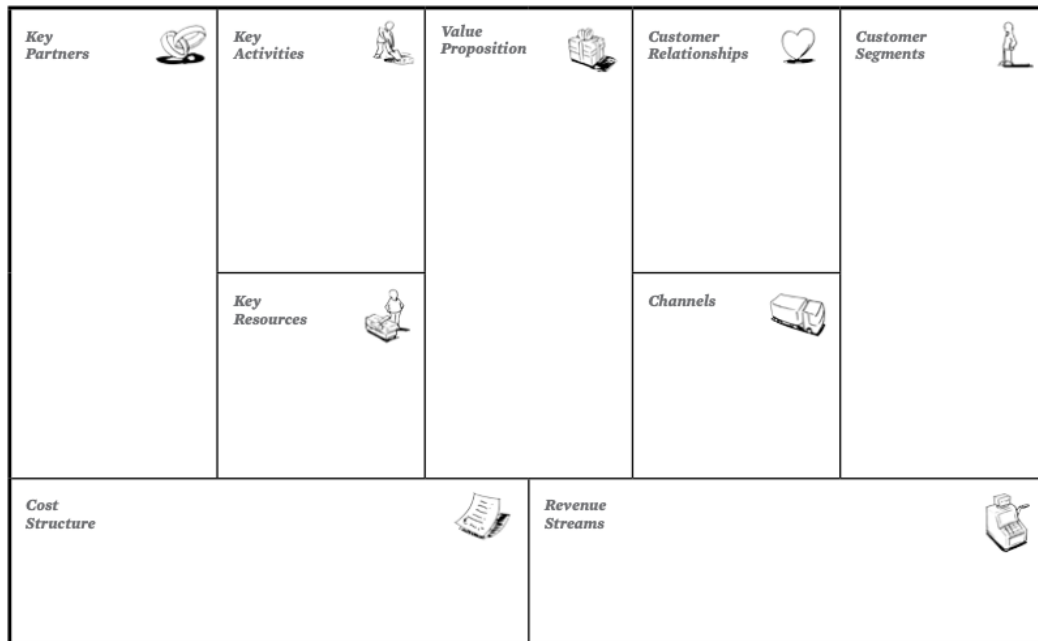
Figure 7. Business Model Canvas (Osterwalder et al., 2010)

In the center of the business model canvas, there is a value proposition block that describes the bundle of products and services which create value for a specific customer segment (Osterwalder et al., 2010). The authors highlighted that the value proposition is the reason why customers turn to a company over another because the value proposition should be designed for solving a customer problem or satisfying a customer need, and this could be an innovative or disruptive solution, but also a similar offer that added features (2010). The rightmost block in the canvas is the customer segments that define the different groups of people or organizations that an enterprise aims to reach and serve (Osterwalder et al., 2010). The customer groups can represent separate segments if the customer needs a distinct offer and requires different types of relationships (Osterwalder et al., 2010). Next to the customer segments block, there is a channel block to show how a company communicates with and reaches its customer segments to deliver a value proposition (Osterwalder et al., 2010). Communication, distribution, and sales channels comprise a company's interface as a touchpoint with customers, and those channels can be direct for the company's own, or indirect for their partners (Osterwalder et al., 2010). In this respect, the customer relationships block indicates the types of relationships a company establishes with specific customer segments (Osterwalder et al., 2010). According to the authors, the relationships can range from personal to automated and have motivations for customer acquisition, customer retention, and boosting sales (Osterwalder et al., 2010). As the last block, the revenue streams represent the cash a company generates from each customer segment (Osterwalder et al., 2010).

On the left side, there is the key resources that allow a company to offer a value proposition, reach markets, maintain relationships with customer segments, and earn revenues (Osterwalder et al., 2010). Key resources can be physical, financial, intellectual, or human and can be leased by the company or acquired from key partners (Osterwalder et al., 2010). Another block above the key resources is the key activities that point out the actions to operate its business, and they can be categorized as production, problem-solving or platform/network activities (Osterwalder et al., 2010). In the left-most block is the key partnerships that represent the network of suppliers and partners to optimize the business models, reduce risk, or acquire resources (Osterwalder et al., 2010). The last block on the left side is the cost structure that describes all costs incurred to operate a business model, and it is essential to distinguish between two broad classes of cost structures, which are the cost-driven and value-driven structures (Osterwalder et al., 2010). This business model building blocks cover the most crucial and common elements of business models and simply applicable based on the questions such as what a company offers, whom it targets, how the company can earn revenue. However, this model does not allow to consider external factors that influence a company's business operation. Therefore, in the next section, another literature review is following to understand the external dynamic factors.

2.1.4. Dynamic Business Model Framework

A framework for explaining the dynamic aspects of business models in value webs was developed by Harry Brouwman and Ian MacInnes (2006). The authors revealed three radical or incremental forces that cause changes in business models, which are technological forces in the first phase, and regulation and market forces in the second and third phases, respectively (Bouwman & MacInnes, 2006). The authors argued that business models are changed under the pressure of the three dynamic forces in 'markets', 'new technologies', and 'regulatory constraints' through influence on the services, finances, technology, and organizational network of a company and as a result, their partners in value webs (Bouwman & MacInnes, 2006). This research agrees with the authors' point that "understanding the external effects on business helps to develop guidelines for governance of business models in delivering value to end-customers" (Bouwman & MacInnes, 2006, p. 1). Therefore, the three dynamic forces are explicated in this section and how the forces influence a company's business model.

The authors found out that the previous business model researches have focused on internal and external factors from innovation literature, and both factors play a vital role in business operation (Bouwman & MacInnes, 2006). Therefore, the first crucial point of the argument is the interrelation between the internal consequences and external drivers, while the second point is examining business model dynamics to determine how technological, regulatory, and market changes affect transitions in business models (Bouwman & MacInnes, 2006). Furthermore, the third area that the authors examined was the identification of dynamic phases for business models by applying the diffusion of innovation theory (Bouwman & MacInnes, 2006). According to Rogers' diffusion of innovation (1962), there are four elements of the process, which are innovation, communication channels, time, and a social system (2006). Subsequently, in the diffusion of innovation theory, when an individual decides to adopt the innovation, the time begins to play a role in the process with the rate of adoption (2006). In the first phase of the process, only a small portion of the innovators adopt the innovation, which means the rate of adoption is low, but once the early adopters join in, the curve rises steeply (Rogers, 2010). By the time that the late majority also adopt the innovation, only the laggards remain who take a long time before embracing the innovation (Rogers, 2010). The authors employed the diffusion of innovation theory into the value webs or networks of collaborating organizations. The authors also argued that the domain of information communication technology-based innovations tends to lead a critical mass and network externality issues because many cases adopt innovations by collaborating infrastructure, middleware, and service providers (Bouwman & MacInnes, 2006). Moreover, according to the authors, "these types of collaboration are not very structured, institutionalized, and although many types are closely related to a traditional (internal) value chain, the mutual relations are less established" (Bouwman & MacInnes, 2006, p. 3). "Therefore, these value webs or networks of collaborating organizations tend to differ in the different phases of developing and exploiting business models" (Bouwman & MacInnes, 2006, p. 3)

Bouwman and MacInnes asserted that the conversion of an idea from research into a product or service is relevant because "innovative products and services follow a life cycle from being new, through development and maturity, towards a phase where new generations of products and services bypass the matured innovation" (Bouwman & MacInnes, 2006, p. 3). In the same manner, rapid and frequent product and service innovation are common in early phases, however, in the later phases, there are only stable product and service concepts with incremental change (Bouwman & MacInnes, 2006). The authors claimed that every product, service, or

innovation goes through the phase from the adoption of the concept, via implementation and exploitation, to maturity (2006). In the first phase, a technology or concept is developed, and the concept is rolled out in the second phrase while the third phase is central in commercial exploitation (Bouwman & MacInnes, 2006, p. 3). There are other phases, such as venturing vision or a start-up phase but since the three MCNs (analysis units) are all established companies, the other phases that was elaborated in the authors' article are not discussed in this section. The modified version of dynamic framework for business models is figure 8.
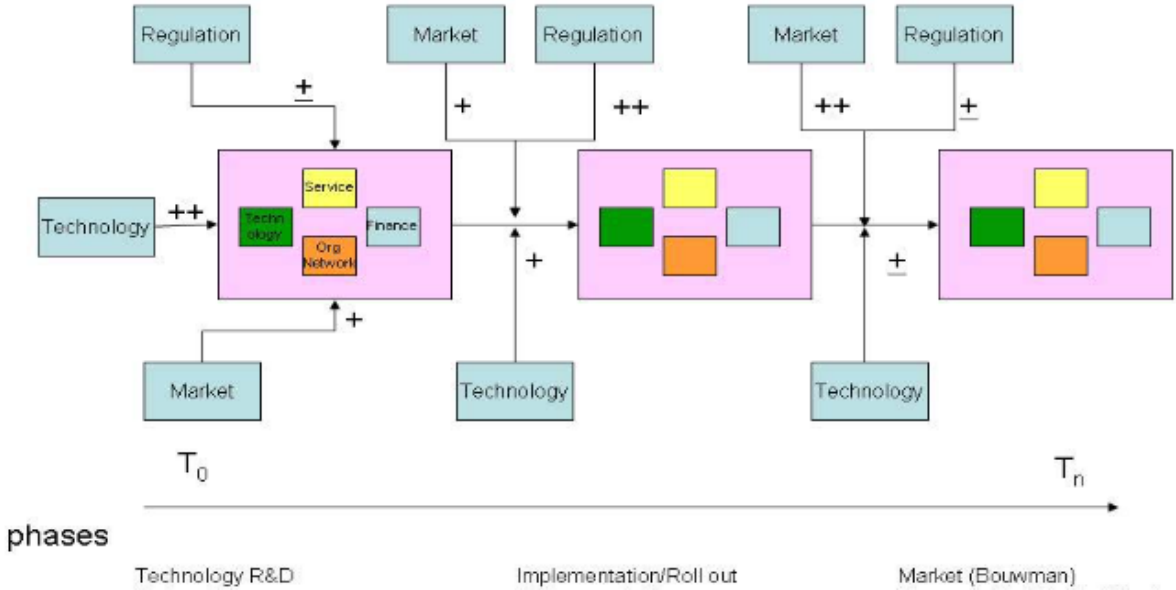
Figure 8. Dynamic Business Model Framework

In figure 8, dynamics appear not only during the transition from one to another phase but also between and within the four domains that constitute a business model. The smallest boxes are the elements of business models, and the elements are surrounded by a bigger box, which is a business model in each phase. The external boxes represent technology, regulation, and market, respectively, and these externalities drive differently depending on each phase. There are symbols ++, +, and ± that express the degree of importance of each external factor in each phase (Kijl, Bouwman, Haaker, & Faber, 2005). The ++ symbol means 'highly important' and + is for 'medium degree of importance' while ± stands for 'low degree of importance'. (Kijl et al., 2005). At the first technology R&D phase, the technology (++) is the most important driver for the development of new business model, however, in the next phase, the regulation is the most important (++) because the product or service complies with regulation with issues

such as fair competition, telecommunication regulation, privacy, intellectual property rights, and content regulation (Bouwman & MacInnes, 2006). The second shifts imply from capturing markets to customer satisfaction; therefore, the last phase can be reached out by the market acceptance (Bouwman & MacInnes, 2006). The authors highlighted that all questions raised in the three phases are also used in the analysis of the impact of opportunities based on a general correlation between technology developments, market response, and regulatory regimes; for instance, both market developments and regulation can trigger opportunities for the development of new products and services (Bouwman & MacInnes, 2006).

2.2 Business Model Innovation Framework

According to Foss and Saebi's study, business model innovation literature is more recent than the business model literature (2017). However, the number of business model innovation studies is rapidly growing and considered as a vital subject to be conceptualized and theorized (Foss & Saebi, 2017). "Business model innovation is advocated as a necessary reaction to strategic discontinuities and disruptions, and emerging competition environments" (Foss & Saebi, 2015). On the assumption that MCNs are required the business model innovation to resolve the current challenges in the media industry, there is an attempt to define what is innovation and what kind of innovations there are to apply to our case units. Also, in order to connect the business model innovation with the dynamic context theory elaborated earlier, an explanation of relationships between dynamic capabilities, business model, and strategy follow in the last sub-section.

2.2.1. Theoretical Framework of Innovation

According to Fagerberg, the number of new researches on innovation increased in the late twentieth century, with a focus on the role of innovation in economic and social change (Fagerberg, 2004). Also, the range of research on innovation has enlarged with multidisciplinary approaches. The word has prevalently used in our society, but the boundary between innovation and other similar terminologies such as dynamic, change, evolution, revolution is still blurred (Moldaschl, 2010). Therefore, there have been attempts to clarify its concept and elements, the same as the business model researches. The root of innovation concept was structured from an economist, Joseph Schumpeter. In his theory of economic development (the first edition was in 1934), the key aspect of economic change was not only from competition between companies in a market but also innovation and new technologies

that form new competition, and this results in more fundamental changes in the economy (Schumpeter, 2017). Also, Schumpeter distinguished the innovation from the invention, "when an invention is restricted to new ideas of a mechanical or technical nature; innovation involves the commercial application of any new idea" (2017, p. 55). The commercial application of any new idea can happen in "a new product, process, or method of production, a new market or source of supply, a new form of commercial and business, or financial organization" (Schumpeter, 2017, p. 55). Therefore, innovation is not a creation of the initial idea, but such an act of 'new combinations of existing resources' (Schumpeter, 2017). Therefore, in order to innovate, a company needs to combine several types of knowledge, capabilities, skills, and resources in a continuous process (Fagerberg, 2004). Also, the competition from innovations such as new commodities, novel technologies or new types of organization may destroy the established companies (Schumpeter, 2017). Schumpeter called this process of creativity and innovation that leads destruction, 'creative destruction' (Schumpeter, 2017).

Based on Schumpeter's work, theoretical frameworks on innovation has developed and classified different types of innovation by scholars. For instance, according to Fagerberg's article, Freeman and Soete classified innovations depending on how radical they are compared to current technology (Freeman & Soete, 2009). From Freeman and Soete's perspective, continuous improvements have characterized 'incremental' or 'marginal' innovations as opposed to 'radical' innovations (2009). Moreover, if a technology is new to the adopting unit and new to the referent group of organizations (Daft & Becker, 1978) or if it requires both throughput (process) as well as output (production or service) change (Hage, 1980), the magnitude is a rare and 'radical', as opposed to 'incremental' innovation (Ettlie, Bridges, & O'keefe, 1984). After three decades, Christensen & Raynor presented two different types of innovation that drew attention, that are 'sustaining' and 'disruptive' innovation based on the circumstances, when incumbents win or the entrants beat them (Christensen & Raynor, 2013).

However, since the history of innovation is relatively short, and the theories has studied with interdisciplinary approaches (Moldaschl, 2010), the boundary of each innovation was challenging to see how they are different, and what innovation is appropriate for a company's strategy. Therefore, Pisano introduced 'an innovation landscape map' based on other scholars' researches such as William Abernathy, Kim Clark, Clayton Christensen, Rebecca Henderson, and Michael Tushman (Pisano, 2015). According to Pisano's research, scholars characterized innovation along two dimensions. One is the degree to how much innovation involves in

technology, and another dimension is the degree to which innovation involves a change in the business model (Pisano, 2015). Also, each dimension exists on a continuum, and although there are two dimensions, the types of innovation are categorized as four innovations in the map (Pisano, 2015). Routine innovation builds on a company's existing technological competences and fits with its existing business model, while disruptive innovation based on Christensen's theory, requires a new business model but not necessarily a technological breakthrough (Pisano, 2015). On the contrary, radical innovation requires new technical competences as well as substantial investment in R&D from a few high margin products. Lastly, Architectural innovation combines technological and business model disruptions, for instance, the innovation of digital photography was resulted not only from new competences in electronics, software, display technology but also from a new way to earn profits from digital cameras (Pisano, 2015).
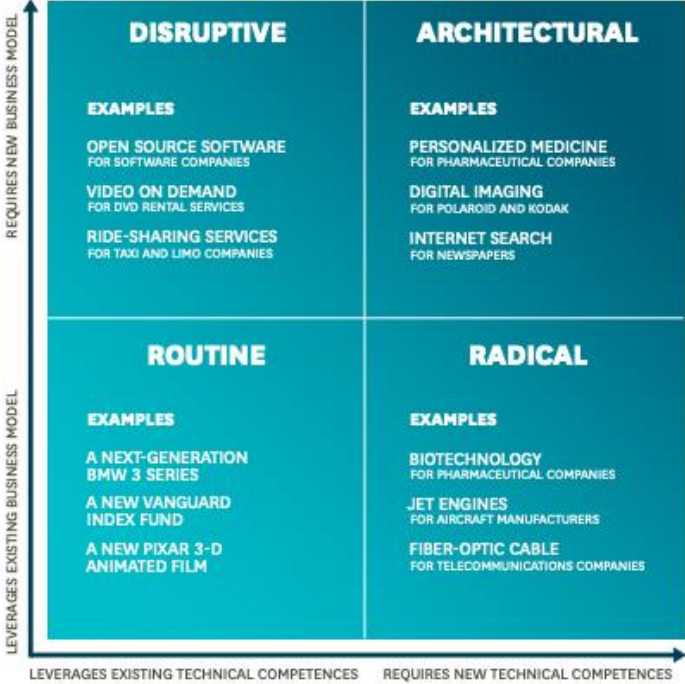
Figure 9. The Innovation Landscape Map (Pisano, 2015)

2.2.2 Business Model Innovation in Media Sector

During the past decade, the media industry has experienced significant disruptions regarding globalization, deregulation, technologies (Van Kranenburg & Ziggers, 2013). In order to respond to the disruptions, consistent innovations in the media sector seem unavoidable as the pace of technological changes. Fundamentally, "Innovation and technological advance are inextricably linked" (Küng, 2013. 9). Therefore, the scope of innovation in the media sector has expanded as content combined with technologies and also into the new media business models.

Considering the previous media organization's successful transitions, the majority of successful business model innovations were either combinations or re-combinations of existing elements (Küng, 2013. 10). Therefore, the media innovation's direction can be extending its competencies or assets in new fields and finding new ways for processes or products in current or new markets (Küng, 2013).

Storsul and Krumsvik argued that in order to understand current developments in the media sector, it is necessary to use the lens of innovation, and this would add more value to media research (2013). Through the lens of innovation, there can be "several types of innovations related to media product, process, position, paradigmatic, and social aspects and those innovations may involve a different degree of novelty" (Storsul & Krumsvik, 2013, p. 13). More specifically, the various types of change in the media sector are from the development of new media platforms to new business models, and to new ways of production (Storsul & Krumsvik, 2013). Storsul and Krumsvik defined the five types of media innovations that are conceptualized by applying four Ps of innovation theory (Francis & Bessant, 2005). Francis and Bessant connected the definition of innovations not only to the product or service but also possible-market position and business models (2005). The market position is related to an established product or service which is produced by an established process, and the business model refers to the reframing of the current product or service, process, and market results in order to find new challenges and opportunities (Francis & Bessant, 2005). In this respect, Francis and Bessant categorized four main targets of innovation as product, process, position, and paradigm (Francis & Bessant, 2005).

Product innovation is about changes to a company's offerings, and process innovation is about the changes in how the offerings are created and delivered (Francis & Bessant, 2005). Also, position innovation refers to changes in how the company position or frame itself within some specific context while paradigmatic innovation involves changes of the company's mindset, values, and business models (Francis & Bessant, 2005). However, Storsul and Krumsvik found out that the four Ps innovations are not sufficient for explaining all kinds of media innovations. Therefore, the authors proposed to add the 'social innovation' which involves social needs and the improvement of people's lives (2013). Therefore, the media innovations are four Ps and one S: product innovation, process innovation, position innovation, paradigmatic innovation, and social innovation. Furthermore, most innovations in the media sector, they are incremental or sustaining innovations which lead small changes of products or

processes that is not related to the economy or the logic of the media market except for some disruptive innovation cases with the giant tech companies or Internet development (Storsul & Krumsvik, 2013).

In addition, according to Storsul & Krumsvik, there are 10 types of internal and exogenous key influences on media innovation: (1) technology, (2) market opportunities and user behavior, (3) behavior of competitors, (4) regulation, (5) industry norms, (6) company strategy, (7) leadership and vision, (8) organizational structure, (9) capacity and resources, and (10) culture and creativity (2013). More focuses are located on some of the exogenous influences in this research, which are technology, market opportunities, and regulation. As stated earlier, the new digital technologies brought growth in the media industry, and the growth created new ways to reach and connect with audiences (2013). Also, another exogenous influence that highlights here is the market opportunities and user behavior changed by technological advances (Storsul & Krumsvik, 2013). Storsul and Krumsvik found out that those influences tend to result in disruptive innovations, for instance, Apple was the first organization to find a successful way to commercialize the digital downloading of music, and this opportunity changed user behavior and also affected other business models (Storsul & Krumsvik, 2013). The last exogenous influence which is particularly crucial in this research is the regulation of the media industries that include such as subsidies, ownership limitations, licensing, direct state involvement, but also the tax on subscriptions, or policies of digital infrastructures (Storsul & Krumsvik, 2013).

2.2.3. Business Model, Business Strategy and Innovation

Teece explored an interdependent connection between business models, dynamic capabilities, and strategy (Teece, 2018). Teece argued that the dynamic capabilities support a business model design, and through its effect, the business model influences back to the dynamic capabilities and places bounds on the feasibility of particular strategies (2018). Teece defined a business model as "an architecture for how a company creates and delivers value to customers and the mechanisms employed to capture a share of that value" (2018, p. 40). In the resource-based view, the design and operation of business models are dependent on the dynamic capabilities (Teece, 2018). According to the author's previous researches (Teece, 2007; Teece, Pisano, & Shuen, 1997), dynamic capabilities are "the company's ability to integrate, build, and reconfigure internal competencies to address changes in the business environment" and "these

capabilities are underpinned by organizational routines and managerial skills" (2018, p. 40). Teece emphasized that the company's dynamic capabilities are vital to maintaining profitability over the long term, including the ability to design and adjust business models (2018). An organization's capabilities have two levels, and the base level refers to the operational capabilities such as routine activities, administration, and basic governance (Teece, 2018). On contrast, the high-level shows "a layer of dynamic capabilities that can be divided into 'micro-foundations' and higher-order capabilities" (Teece, 2018). In Teece's words, "micro-foundations involve the adjustment and recombination of a company's existing capabilities as well as the development of new ones" (2018, p. 41). While "the high-order dynamic capabilities 'sense' avenues for the future, devise business models to 'seize' new opportunities, and determine the best configuration for the organization" (Teece, 2018). The highest order capabilities are the top management, and they are the most relevant for the innovation or selection of business models that address the problems and opportunities (Teece, 2018). Some business model transitions may correspond with the existing business, and this leads to a more natural implementation, although this type of transition is not sufficient to restore a competitive advantage, small transitions can enhance value capture (2018).
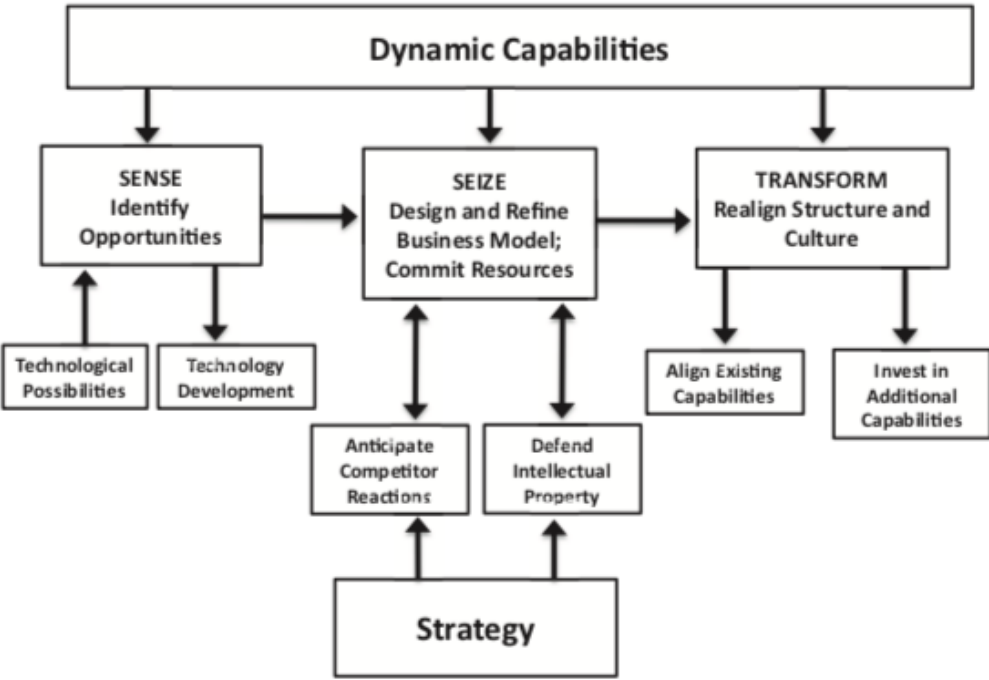
Figure 10. Simplified Schema of Dynamic Capabilities, Business Models, and Strategy (Teece, 2018)

As shown in figure 10, the dynamic capabilities influence the sensing, seizing, and transforming to (re-)design and to implement a business model. This process can upgrade the ordinary capabilities and the capabilities of partners by reconfiguring elements of the business model (Teece, 2018). This process requires 'orchestrating' their resources to address and respond to changes in the market or the business environment (Teece, 2018.43). However, developing a successful business model is not sufficient to assure 'a competitive advantage' because other competitors can easily imitate the business model (Teece, 2010). Teece argued that successful business models very often become shared by multiple competitors, therefore, "a business model must be something more than just a good logical way of doing business" (Teece, 2010. 192). Therefore, not only differentiated but also effective and efficient architecture for a company's business model is crucial to create competitive advantages (Teece, 2010). Teece explained that is why an innovator also needs to be a strategist who asks how can our company build a sustainable competitive advantage, and "the business strategy is more granular than designing a business model and both exercises are required to be connected to protect competitive advantages" (Teece, 2010, p. 46).

2.3. Intermediaries in New Screen Ecology

In the introduction chapter, there was a previse to review an Australian scholar, Stuart Cunningham's researches. Cunningham has solely or jointly researched the novel cultures and phenomena before and after the disruptive innovations in the media industry. His studies provide theoretical propositions that summarize from the online screen distribution to the emergence of the multi-channel networks based on the development of social media entertainment. Therefore, some of his relevant literature with his new concepts are introduced here for the discussion section later.

2.3.1. The New Screen Ecology

According to Cunningham and Silver, there were three waves of market leaders in the online media space for the distribution of film and television (2013). From 1997 to 2001, when the first online VOD (video-on-demand) started up, the first wave of the screen distribution occurred (Cunningham & Silver, 2013). After that, a shakeout followed between 2001 and 2006 when Hollywood Majors stepped in the online distribution service as the second wave (2013).

However, Hollywood Majors failed to participate in the online distribution industry because of a lack of profitable business models (Cunningham & Silver, 2013). In late 2012, another third disruptive wave was raged in the online distribution with giant players such as YouTube, Apple, Amazon, Netflix, Yahoo!, Facebook, and Hulu (2013). Cunningham argued that this history of the critical institutions in the screen distribution industry shaped 'a new screen ecology' which is "an outcome of the increased interpenetration of different but also often clashing industry" (Cunningham, Craig, & Silver, 2016, p. 376). In his point of view, "media, communications, and cultural studies need to understand how markets work in contemporary media industries with the various strands of economic" (Cunningham, Flew, & Swift, 2015, p. 113). Therefore, Cunningham (and also other co-researchers in his relevant studies) attempted to understand the history of the screen distribution with an ecological approach in the scope of evolutionary economics. As Cunningham and Craig stated, "the notion of ecology derives from evolutionary principles that explain the interdependent dynamics of the economic and social worlds" (Jenkins, 2016) In addition, "these systems are never in balance or in equilibrium, which means there is always turbulence, changes, and new green shoots are always emerging from the creative destruction of the old" (Jenkins, 2016).

Furthermore, according to an interview with Cunningham and Craig by Jenkins, Cunningham mentioned that "the ecological approach has allowed refining our account of the political economy of the capitalist hegemons at the top of the food chain" (2016). Also, "evolutionary principles focus on the wider ecology such as how informal activity reshapes markets, and how the potential innovations arise from informal activity" (Cunningham et al., 2015). In the same interview by Jenkins, Cunningham and Craig also commented that in the ecological approach, "it is possible to look at the evolving interdependency and the way they force each other for the potential benefits of the ordinary citizen-consumer" (2016, Jenkins). Therefore, this is not a game that only one can win, the IT industry in Silicon Valley and the mass media entertainment are interdependently connected (2016, Jenkins). The new payers in the new screen ecology are a set of online screen entertainment platforms, prominently Apple, Amazon, Netflix, and preeminently Alphabet, Google, YouTube, along with others such as Facebook, Twitter, Instagram and, Snapchat (Craig & Cunningham, 2019). Therefore, the new screen ecology is "a space of unimagined scale and scope of flourishing online creativity and culture, which is turbulent and precarious at the same time" (Cunningham et al., 2016, p. 377). Also, the most challenging and innovative elements of the new screen eclogy is the rise of 'Social Media Entertainment' (SME) (2019).

"The social media entertainment is an emerging proto-industry fueld by professionalzing, previously amateur content creators using new entertainment and communicative formats, including vlogging, gameplay, and do-it-yourself (DIY), to develop potentially sustainable businesses based on significant followings that can extend across multiple platforms ... (omit) ... these platforms have introduced commercial features that service their own interests but also affordances that entrepreneurial content creators have accessed cultivate diverse business models and reveue streams."

(Craig & Cunningham, 2019, p. 15)

The infrastructure of SME comprises various competing platforms, which are online video players with social networking affordances, such as YouTube, Facebook, Instagram, Twitter, Snapchat, and Vimeo (Craig & Cunningham, 2019). These social platforms have started presenting a more significant value proposition to the advertising industry, and the creators have generated new content which is different from the legacy content industries (Craig & Cunningham, 2019). Also, these platforms disrupt the traditional incumbents concerning the piracy of intellectual property and optimizing the creator's income streams and talent control (Cunningham et al., 2016). Moreover, they utilize interactive technologies with strategies of the fan, viewer, audience, and community engagement in different globalization dynamic (Craig & Cunningham, 2019). Therefore, Cunningham et al. argued that the core of the new screen ecology is evolving business strategies of those major SME platforms in ways such as solving the intellectual property and piracy issues or optimizing the revenue streams but also dealing with creators and management system (2016).

2.3.2. Platform Strategy

As explained in the earlier section, "the clashing cultures of screen distribution and the convergence on video" has constructed the histories of the major platforms in the new screen ecology (Craig & Cunningham, 2019, p. 33). Based on this outline, Cunningham and Craig introduced two classifications, namely NoCal (or NorCal) and SoCal (Craig & Cunningham, 2019). According to Craig and Cunningham, the terminology was brought form the rivalry reputation between Northern and Southern California as known in regional accents and degrees

of liberal politics (2019). However, the authors' focus was more on their clashing, converging, and becoming interdependent world-leading industrial geographic cultures (2019). As an illustration, 'NoCal business culture deploys "information technology strategies, aggressive disruption, and rapidly prototyping and iteration with permanent beta advanced measurement, and programmatic", therefore, as a division, Google/YouTube, Apple's iTunes, Netflix, Amazon, Yahoo! and Facebook, the largely internet 'pure-play' companies belong to the NoCal side (Craig & Cunningham, 2019, p. 32). In contrast, 'SoCal' business culture is embodied in established screen media, which is Hollywood, the major broadcasters, and cable interests, "with their time-honored business models of talent-driven mass media and premium content and limited recourse to measurement techniques that are decades old" (Craig & Cunningham, 2019, p. 32).

The fundamental difference between the NoCal and SoCal is that the Internet pure-play platforms on the NoCal side have enabled 'connected viewing' and developed a critical mass of online customers by processing extensive data on their online search behavior and purchasing habits (Cunningham et al., 2016). The 'connected viewing' is a concept that summarizes the changes in consumer habits and "expectation to a larger trend across the media industries to integrate digital technology and socially networked communication with traditional screen media practices" (Holt & Sanson, 2013, p. 1). Furthermore, the NoCal platforms tend to have perform marketing directly to their customer and targeting a particular genre or program based on web analytic programs (Cunningham et al., 2016). More importantly, the platforms on the NoCal side entail two groups depending on what types of content is produced and distributed. For instnace, the first group is such as Hulu, Amazon, Apple's iTunes, Netflix, and some other local imitators who produce and distribute 'professionally generated content (PGC) to customers. On contrast, another group includes Facebook, Twitter, Twitch, Instagram, and Snapchat that leverage 'user-generated content (UGC)' with the substantial audiences network effect in order to monetize on platforms (Craig & Cunningham, 2019). Notably, YouTube is in the middle of those two groups as a hybrid content-social network platform, which is "a huge content platform that is settled in a communication platform (Google) with some social media affordance" (Craig & Cunningham, 2019, p. 33). These three bundles of platforms in the new screen ecology is depicted in figure 11.
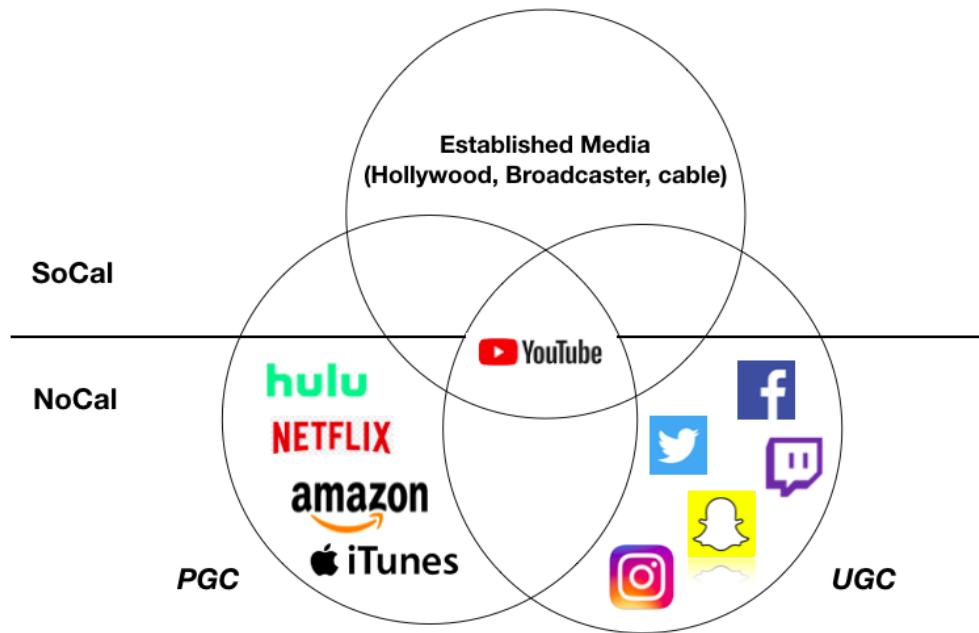
Figure 11. YouTube-centered Screen Ecology

2.3.3. Social Media Entertainment Intermediaries

According to Cunningham et al., the 'accelerated evolution' of the new screen ecology was possible because of two core components, YouTube and Multi-Channel Network (2016). In social media entertainment, MCNs are the intermediaries that operate in the middle of the convergent space between NoCal and SoCal strategies (Craig & Cunningham, 2019). On the NoCal side, MCNs are required to provide "value-added services superior to basic YouTube analytics with multiplatform data integration and pioneering attempts at management of scale and volume" (Craig & Cunningham, 2019, p. 126). In contrast, on the SoCal side, MCNs need to "manage a quite different class of entry-to midlevel talent, who bring to the relationship with successful audience development and clear ideas about the roots of their success" (Craig & Cunningham, 2019, p. 126). In other words, despite the MCN intermediaries are such a component of accelerated innovation, ironically, they have been 'squeezed' from NoCal and SoCal sides, because the tech firms try to reclaim the value and revenue from MCNs by launching their own creator management strategies while the mainstream talent agencies try to hunt SME creators from MCNs (Craig & Cunningham, 2019). Therefore, MCNs are in a place where they need to innovate more rapidly than digital platforms, but also established media firms in order to remain viable (Craig & Cunningham, 2019).
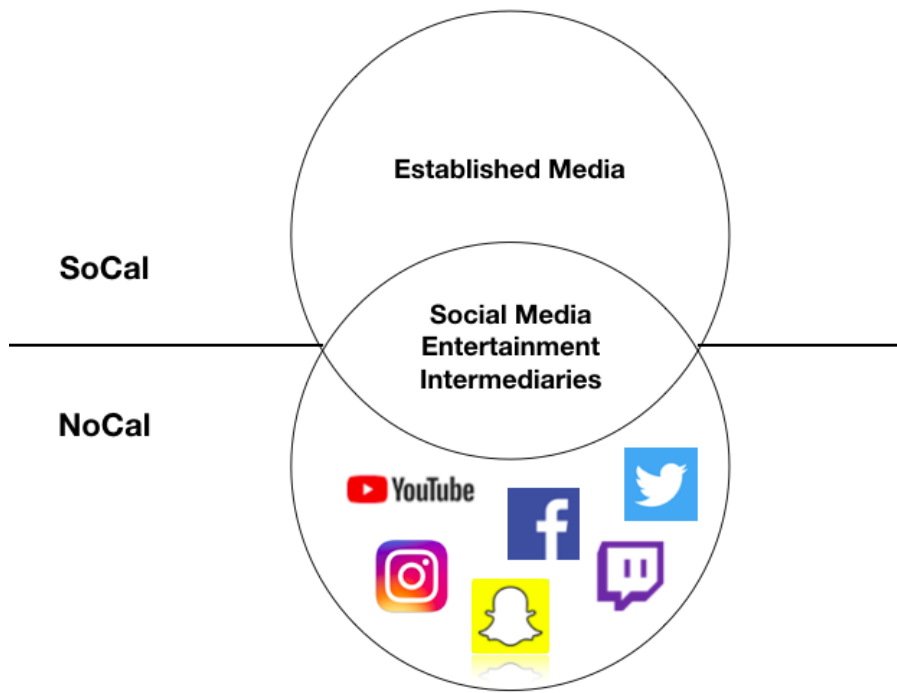
Figure 12. SME Intermediaries-centered Screen Ecology

Since the MCNs started to diversify social media platforms, many types of 'intermediaries' appeared in terms of their corporate type, management, production, and commercialization, including traditional media and advertising agencies. To explain all types of MCNs, Craig and Cunningham employed a term, 'Socla Media Entertainment Intermediaries' that refers not only to the firms but also to new classes of SME professionals "operating independently or hired by SME and traditional media firms based on their ability to generate revenue within this new screen ecology" (Craig & Cunningham, 2019, p. 128). The authors addressed that there was a 'pre-MCN era' which was unsustainable, but contributed building the new 'post-MCN' era that allows strategies of diversification (Craig & Cunningham, 2019). For instance, influencer marketing agencies, talent management firms, data, and technology companies have developed their services and became the channel initiatives or subsidized numerous affiliated MCNs (Craig & Cunningham, 2019). According to Craig and Cunningham, the pre-MCN companies are disappeared, merged, or acquired, and these new larger MCNs started to look for "more stable growth rate and to respond glocal dynamics", while "providing a creole mix of scalable services such as talet agency, commercialization, big data analytics, public relations and marketing together" (Cunningham et al., 2016, p. 379).

As briefly explained in the introduction, the early SME intermediaries, which were more niche-style, changed to 'pivoted' and diversified their management services for their stakeholders (Craig & Cunningham, 2019, p.148). However, these companies faced conflicts with partners since 2016 because those became 'digital-first production' companies (Csathy, 2016). In this regard, Craig and Cunningham specified that 'SME 2.0 era was the rise of numerous competing platforms', for instance, Vine, Instagram, Snapchat, and Periscope led a transformation of MCNs into multiplatform networks (MPN) (Craig & Cunningham, 2019, p. 150). MPNs pursued the additional revenue streams across various platforms and provided integration strategies and analytics superior to YouTube's. However, this MPN strategy was merely a reflection of their 'talent-centric management model', and the revenue ratio was still highly dependent on YouTube (Craig & Cunningham, 2019). Craig & Cunningham argued that "the rise and fall of MCNs and other intermediaries are signal of their struggle to identify and measure the value of this creator-driven industry" (2019, p. 156). Subsequently, "the value is centered not only upon content or distribution, but rather upon the creators' appeals to 'authenticity and community'"(2019, p. 156). Therefore, "as emerging intermediaries in the middle of the new screen ecology, MCNs need to innovate both from the NoCal and SoCal side" (Cunningham et al., 2016, p. 388).

2.3.4. Globalizing Social Media Entertainment

Lastly, Cunningham argued that the new screen ecology could be another new wave of media globalization, or at least there should be a reassessment of global availability in terms of uptake the frictionless and borderless operation of social media entertainment (SME) (Cunningham, 2015). Craig and Cunningham addressed that while the established forms of media globalization entered territories with IP-controlled content, YouTube has proven its facilitation with a new type of content, creators, and firms (MCN) rather than content control (Craig & Cunningham, 2019). As an example, Netflix's global expansion requires negotiating with preexisting right holders in each new territory and often has to close down Virtual Private Network, and in this point of view, Netflix is very similar to Hollywood studios (Craig & Cunningham, 2019). However, on the contrary, YouTube found a way to avoid the legal hassles because YouTube makes 'partnership agreements' with creators, which means instead of owned or share IP with fees, YouTube takes a split of advertising revenue (Craig & Cunningham, 2019). Moreover, SME platforms have their own self-regulation regarding copyright, offensive content, or revenge porn (Craig & Cunningham, 2019).

Another reason that YouTube was able to avoid such conflation is that YouTube is a 'platform' as a middleman that operate to link or to connect brands or advertisers as a contrary of traditional media that was busy to produce content and own or license them for distribution or sale in multiple territories (Craig & Cunningham, 2019). In comparison with the traditional advertising, YouTube's monetization system is much more efficient because of the capacity to target audiences with online analytics programs (Craig & Cunningham, 2019). The programmatic ad sales enabled to match content with advertising automatically "as content circulates virtually and seamlessly across borders and regions" (Craig & Cunningham, 2019, p. 239).

"The current screen media industry is witnessing the rise of a nascent media industry that represents nontraditional media ownership, disruptive platforms, and content innovation that challenge our prior conceptions of media globalization, including nationalized regulatory regimes"

(Craig & Cunningham, 2019, p. 240).

YouTube is accessible across the globe except for some countries where there is a block or restricts access to YouTube. For instance, North Korea and China block YouTube, Facebook, and Twitter, and also Pakistan had blocked YouTube on several occasions when it refused to remove an anti-Islamic video over the last few years (Craig & Cunningham, 2019). In this respect, another consideration is 'location-based filtering' which "results from the unevenness of content-licensing deals across national jurisdictions" (Craig & Cunningham, 2019, p. 241). According to Graig and Cunningham's clarification, location-based filtering is 'geo-blocking', which occurs when rights holders may not have the right to show some content in different regions (2019). For instance, there has been a long dispute between YouTube and GEMA over the payment of rights to performers of music, and this has resulted in music videos or videos containing music being hard to access or unavailable on YouTube in Germany (Craig & Cunningham, 2019). Also, the Middle East and Africa are much more regulated in terms of community standards, sponsorship, and advertising (Craig & Cunningham, 2019). Graig and Cunningham call this circumstance 'glocalization dynamic' that has been debated for a decade in terms of the multi-national advertising strategy because the dollar-per unit value in advertising is much lower at this stage of the monetization worldwide (Craig & Cunningham, 2019, p. 241). Therefore, in terms of outright strategic and temporary blocks, national and

regional regulation, some frictions challenge the new globalization wave (Craig & Cunningham, 2019). For the intermediaries where there are no frictions, the new wave of globalization can be new opportunities to expand their market with creators and advertisers to reach out to global audiences. However, in those countries where there is a 'location-based filtering', the intermediaries have to act as digital production companies which produce content, own and distribute the original IP content across multiple platforms (Craig & Cunningham, 2019)

3. Methodology

The choice of research method is dependent on the research questions (Yin, 2011). In case of such questions that require to explain some contemporary circumstances; for instance, 'how' or 'why' some social phenomenon works, the case study research can be a suitable match (Yin, 2011). Since this research aims to answer three 'how' questions, the case study seems well-matched and appropriate as a methodology. Moreover, Yin pointed out that each research method can be used for all three purposes, which are exploratory, descriptive, and explanatory, and doing case study research is a linear but iterative process (Yin, 2011). Since this research is for clarifying the roles of MCN businesses and some phenomena around its business models, this research has the exploratory purpose, but the result of the analysis can be descriptive. Also, according to Yin, a case study is an empirical method that (1) investigates a contemporary phenomenon (the 'case') in-depth description and its real-world context, especially when (2) the boundaries between phenomenon and context may not be clear (Yin, 2011). In order to investigate the contemporary dynamics, there will be a semi-structured interview with the case units' employees in each region. Since the environmental factors have a significant impact on conducting business in general, understanding the business performance in a long distance seems challenging. Therefore, the semi-structured interview will be conducted face-to-face in order to acknowledge the real-time context with an evident data. Lastly, according to Yin, the multiple case method can be more compelling and generate robust results; therefore, three multiple cases are subject to be analyzed with a qualitative evidence in this research (Yin, 2011).

3.1. Research Design

There are traditional concerns about the case study research because the types of case studies might be a lack of systematic handling of data and no basis for scientific generalization or the

study may take a long time with unreadable documents (2011). Therefore, it is crucial that having a systematic reporting of all evidence and to remember that the purpose of the study is to generalize the theoretical propositions, not to population as in statistical research in a reasonable time limit and writing formula (Yin, 2011). For the systematic analysis, the analytical framework was designed based on chapter two, and there is no assumption that the data result is not the general tendency of the entire channel-network industry. In order to keep this mind, this research follows the five central components of a case study design by Yin, which are (1) the study's questions, (2) its propositions if there are any, (3) its cases, (4) the logic linking the data to the propositions and (5) the criteria for interpreting the findings (2011).

> *"As emerging intermediaries in the middle of the convergent space between NoCal and SoCal, MCNs' placement sees them needing to innovate on both the NoCal and SoCal side."*
>
> (Cunningham et al., 2016, p. 388).

The core theoretical proposition in this research is Cunningham's argument regarding the MCN business. Recall section three in chapter two; there were literature reviews of Cunningham's extensive researches on the new screen ecology and the new and old media organisms that have evolved naturally. Cunningham proposed that MCNs need to innovate on both the NoCal and SoCal side. Therefore, this research aims to generalize whether Cunningham's arguments are applicable to the real-world case, and if they are, how each case unit in this research follows the notion of his arguments. Also, this research treats case units similar to multiple experiments, which means there are no particular results predicted in advanced, and there is a criterion to select the cases such as the companies should be similar size at the operational and financial level. Moreover, in order to strengthen the logical linking, the multiple-case procedure framework (figure 13) that was recommended by Yin, in the book '*Case Study Research and Applications*' is extracted and used in this research (2011).
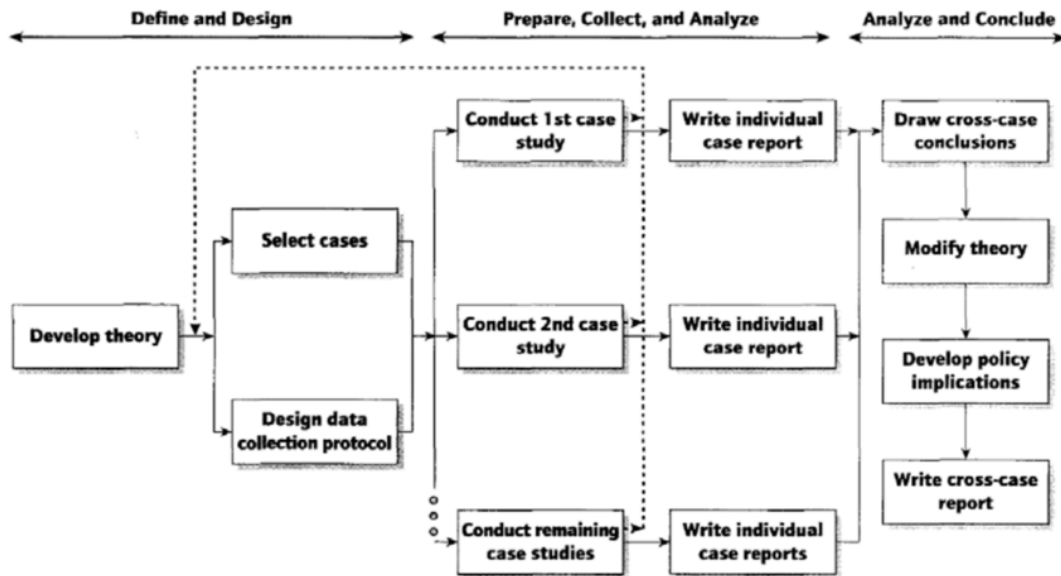
Figure 13. Multiple-Case Study Procedure (Source: COSMOS Corporation)

3.2. Conceptual Framework

This research also follows the process of inductive case study approach in the conceptual framework by Eisenhardt (1989). The process of inducting theory is used for case studies from specifying the research questions to reaching closure (Eisenhardt, 1989). Also, within-case analysis and replication logic are appropriate to the inductive approach, and "this process is highly iterative and tightly linked to data" (Eisenhardt, 1989, p. 532). Moreover, this research approach is suitable in the new topic area because "the resultant theory is often novel, testable, and empirically valid" (Eisenhardt, 1989. 532).
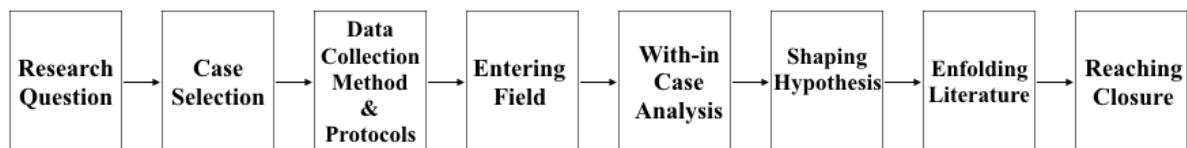
Figure 14. Conceptual framework for inductive case study (Eisenhardt, 1989)

The ideal theory-building research is supposed to begin with 'no theory under consideration and no hypotheses to test' to avoid bias, however, this ideal process seems almost impossible, nonetheless, Eisenhardt emphasized that attempting to approach this ideal is essential because preordained theoretical perspectives or propositions may bias and limit the findings (1989). Therefore, there should be a formulation of research questions and possibly specify some important potential variables with some reference to extant literature (Eisenhardt,

1989). After selecting cases, the next step is data collection. In theory-building researches, combining multiple data collection methods are commonly used (Eisenhardt, 1989). Eisenhardt stated that a striking feature of research to build theory from case studies is the frequent overlap of data analysis with data collection (1989). In this stage, it is important to note some impressions of data, and keep asking questions such as 'how does this case differ from the last one?' (Eisenhardt, 1989). Analyzing data is the most difficult but the core of the study, and it is crucial to maintain a certain volume of data and also provide enough space for discussion of analysis (1989). Shaping hypotheses can be divided into two parts, (1) refining the definition of the construct and (2) building evidence which measures the construct in each case (Eisenhardt, 1989). Eisenhardt specified that the first process occurs through constant comparison between data and constructs in order to accumulate evidence from diverse sources that converges on a single, well-defined structure (1989). The second step of shaping the hypothesis is verifying the new relationships between constructs with the evidence in each case because sometimes a relationship requires revised or disconfirmed (1989). Enfolding the literature stage involves "asking what is this similar to, what does it contradict, and why" by comparing the emergent concepts, theory, or hypotheses with the extant literature (Eisenhardt, 1989. 544). Lastly, in the reaching closure state, important issues are to find the right point to stop adding more cases or literature between theory and data (Eisenhardt, 1989).

3.3. Case Selection

As stated earlier, according to Yin, the multiple-case design can be appropriate because the analytic conclusions from several cases can be more compelling (Yin, 2011). Therefore, I selected three cases, the real-world MCN companies, United Screens, Treasure Hunter, and Brave Bison. All three companies are well-known, promising, with a positive reputation in the industry. Again, since this research aims to see the dynamic context in a global spectrum, the companies are located in three different countries, Sweden, South Korea, and the U.K.

United Screens

United Screens manage around 500 premium channels with 600 million global views per month, serving 90 million brand-safe ad impressions per month in the Nordics. Since its start in 2013, United Screen has executed more than 1000 premium influencer marketing campaigns. The company's turnover was increased by 20% between 2017 and 2018 (United Screens, 2019).

Treasure Hunter

Treasure Hunter manages around 660 creators and influencers worldwide. Most of them are in Asia, but some of them are located in Europe, the U.S. and South America. The number of subscribers is more than 150 million, with 17 billion YouTube views in total. Since its establishment, there has been significant growth, and the company's turnover was increased by 53% between 2017 and 2018 (Kim, 2019).

Brave Bison

Brave Bison does not directly manage influencers or creators in their network; Brave Bison connects between brands, creators, and platforms to create, distribute, and monetize the digital video. According to Tubular Labs, Brave Bison was ranked in seventh most viewed media in 'the global media properties' section, amongst Warner Media and The Walt Disney Company and Buzzfeed at the end of 2018 (Tubular, 2018).

3.4. Data Collection and Analysis

At least six sources can support the case study, which are documents, archival records, interviews, direct observations, participant-observation, and physical artifacts (Yin, 2011). Wilson addressed that there are two types of data, the first is 'primary data, which is information gathered for its own study while there is the 'secondary data', which have already been published (2014). In primary data collection, a range of collection tools is such as interviews, observation, and questionnaires, rather than relying on existing data sources (Wilson, 2014). On the contrary, the secondary data include everything from annual reports, promotional material, parent company documentation, published case descriptions, magazines, journal articles, and newspaper reports to government printed sources (Wilson, 2014). Therefore, the primary data in this research is the face-to-face, semi-structured interviews with each company's employees. The secondary data sources are documents from presentation files that each company offered in the interviews or from websites, and annual reports, press news, parent company's documentation, and other academical journal articles. Besides, the qualitative research can be performed in several different ways such as (1) analyzing experiences of individuals or groups, (2) analyzing interactions and communications (3) analyzing documents (texts, images, film or music) (Kvale, 2008, p. 12). Therefore, this research is designed as qualitative research that analyzes interactions and communications to understand an

individual's understanding of the company's business models, and also the supplementary documents that support the analysis.

3.4.1. Primary Data

According to Wilson, there are three different types of interview methods: structured, unstructured, and semi-structured (2014). A structured interview is on a rigid set of interview questions that the answers are relatively short for the easier comparisons, while an unstructured interview is also called in-depth interviews that begin with a broad question and discuss in general and open manner (2014). However, this research aims to explore the MCN phenomena in the world; therefore, neither of them seems appropriate because the interviewees should be allowed to answer feely, but there also should be a certain range that covers business model dimensions. Therefore, a semi-structured interview is chosen, which is a hybrid of both attributes that allow a set of structured, but also the respondents can freely bring particular topics in the interviews (2014). In addition, Hopf also pointed that a semi-standardized or open interview are widely used for "imparting of expert knowledge about the research field in question, the recording and analysis of the informants' subjective perspective" (Hopf, 2004, p. 203). Also, Barriball and While stated that a semi-structured interview is suited for the exploration of the perceptions and opinions of respondents regarding complex and sensitive issues, and it is possible to request for more information and clarification of answers after (Barriball & While, 1994). This is beneficial for this research because the MCN topic has a relatively short period in the media research field; therefore, the topic requires more exploration in detail from experts of the industry in practice. Also, since this research aims to compare the real-world companies on the global spectrum, using the semi-structured interview is advantageous because the interviewees speak three different languages and some adjustments and clarifications are inevitable after the interview. Therefore, the semi-structured interview is selected as the means of primary data collection in this research.

Before the interviews, several emails were exchanged in advance to explain the purpose of this research, also to receive consent from the interviewees. Despite that all interviews were face-to-face interviews, since around one-hour meeting is not enough to observe all the aspects of the companies; therefore, some emails followed up to complete the data collection process. Besides, the high-level of the business strategies are very confidential, especially regarding

infrastructural and financial aspects of the companies. Therefore, the analysis was conducted in a range of information that all companies concurred. Four interviewees participated in total, and they are all employees at the senior level of each company. Concerning language, among the three interviews, one of them was conducted in Korean, and the other two were in English. It is crucial to point out that the investigator or interviewer's mother tongue is Korean, and English is the interviewer's second language. Also, one of the participants from Sweden had to answer in the second language, which is English, because of the interviewer's incapacity to speak Swedish. To sum, there can be a minor misunderstanding or misinterpretation due to the nature of the multi-language study that entails difficulties, such as subtle nuances of each language or culturally different contexts.

Analysis Unit	Position	Time	Language
Treasure Hunter	Head of Research & Development	1 hour 15 minutes	Korean
United Screens	Head of Communications & PR	1 hour	English
Brave Bison	Sales Director	1 hour	English
	Head of Marketing & Communications		

Table 2. The Information of Primary Data Collection

The semi-structured interview was conducted in the casual environment at each company's office, with open-ended questions. The prerequisites in the selection of interviewees are (1) the interviewee is in the position that understands the elements of business models and innovation factors. (2) The interviewee has worked in each company for more than three years at the senior level. (3) The interviewee is well-aware of the current dynamic context in the industry and able to explain it in either English or Korean. The four participants of the interview are very familiar with relevant concepts of this research, and all of them have worked since each company's establishment. The interview guideline was given in advance and also instructed again in the spot by the interviewer. The interview guideline and questions are in Appendix 1.

3.4.2. Secondary Data

Recall Eisenhardt's statement, in theory-building process, combining multiple data collection is commonly used (Eisenhardt, 1989). Wilson also addressed that secondary data can be classified into electronics and written formats for either commercial or academic audiences (2014). In this research, the secondary data is widely gathered from electronic formats and also academic journals. Moreover, since the case units are in three different countries, the official language on their website was different. Although it is possible to change the language into English, still some documents that downloaded from the website were challenging to translate. Wilson outlined this matter as "if the researcher has the capability of reading foreign-language sources, this is an advantage as it allows to consult a wider range of secondary sources, and this improves the validity of the results" (Wilson, 2014. 199). Moreover, according to the APA Style Blog, "a translation is considered a paraphrase and no need of quotation" (Lee, 2014). Based on this guidance, some of the Korean and Swedish documents are translated into English without any particular quotation or marks in this paper. Another consideration is that some of the company's annual reports or a statement of the financial position were confidential; therefore, the secondary data was collected in criteria whether the data is comparable mutually. To sum up, the secondary data was gathered from each company's official website as electronic formats such as news press or annual reports for their stakeholders or investors and also academic journals when they are comparable and translatable in English.

3.4.3. Data Reliability

Reliability is about the consistency and trustworthiness of research findings; therefore, it is related to the issue of whether a finding is reproducible at other times or by other researchers (Kvale, 2008). In a qualitative interview, there are concerns about whether the interviewees change their answers during an interview or give different answers to other researchers (Kvale, 2008). Also, the issue of reliability occurs with transcription and analysis of interviews because if the transcriber is a different person, the result of transcription or analysis can also be different (Kvale, 2008). Therefore, Yin suggested four principles of data collection to maximize the sources' benefits and to deal with the problems of establishing the construct of validity and reliability of the evidence (2011). The first principle for data reliability is 'using multiple sources of evidence' (2011). As mentioned earlier, Yin introduced six types of sources; documents, archival records, interviews, direct observations, participant-observation, and physical artifacts (2011). However, in this research, there are two main sources used, documents,

and interviews because there is a time limit of the research, and all informants are located in three different countries. Yin's second principle is 'creating a case study database' by organizing and documenting the data collected for case studies (2011). The documentation consists of two separate collections, (1) the data or evidentiary base and (2) the researcher's report, including oral or visual form (2011). Yin suggested to use computer files to make the distinction between these two collections; therefore, after the three interviews, the transcript was typed and completed as a digital file. Also, some of the short notes from the interviews and the secondary data sources, documents were developed into the database on the basis that the database can be the subject of separate or secondary analysis, which is independent of any reports by the original researcher (Yin, 2011).

3.4.4. Data Validity

Validity is in connection with correctness and the strength of a statement (Kvale, 2008). Kvale stated "a valid argument is sound, well grounded, justifiable, strong and convincing" and "validity is on the quality of the researcher's craftsmanship throughout an investigation, continually checking, questioning and theoretically interpreting the findings" (Kvale, 2008, p. 161). Yin also suggested constructing validity of the information by 'maintaining a chain of evidence' (Yin, 2011) and explained that this principle is about to allow the study's reader to understand the derivation of any evidence from its research questions to its findings (2011). In other words, the reader should be able to trace the steps from the first to the last step and vice versa. Therefore, in this research, every conversation was recorded by the iPhone. The device provides high acoustic quality without interruption, and every interviewee was aware that the conversation is recorded and will be published. The interview guideline is in Appendix 1 with more details. Also, after interviews, the record file was carefully treated to be a transcript. On the progress of the transcription, the record file was played several times in a slow mode to make a transcript, and the file was transferred into the digital format in the researcher's laptop. Also, some of the pronunciation was ambiguous; therefore, some emails were complemented to enhance the validity of each transcript. Besides, due to privacy concerns, the entire conversation and their names are not published. However, some parts of the conversations are inserted under the interviewees' permission, because the insertion of exact dialogs provides strong credibility of data in this research.

Lastly, Yin's suggested 'taking extra care when using data from social media sources' (2011). There should be a cross-check of the sources and information on social media, and need a view being skeptical, also need to be aware of the claims about the authorship (2011). Since this research deals with the channel network businesses that exist in the digital world and the businesses handle a vast amount of social media interactions, there is information utilized from social media and other digital news on the Internet. Therefore, the information from the Internet was carefully re-checked in a way that compares with other digital news or checking the person directly who involved by utilizing the social media message features.

3.5. Data Coding and Analyzing
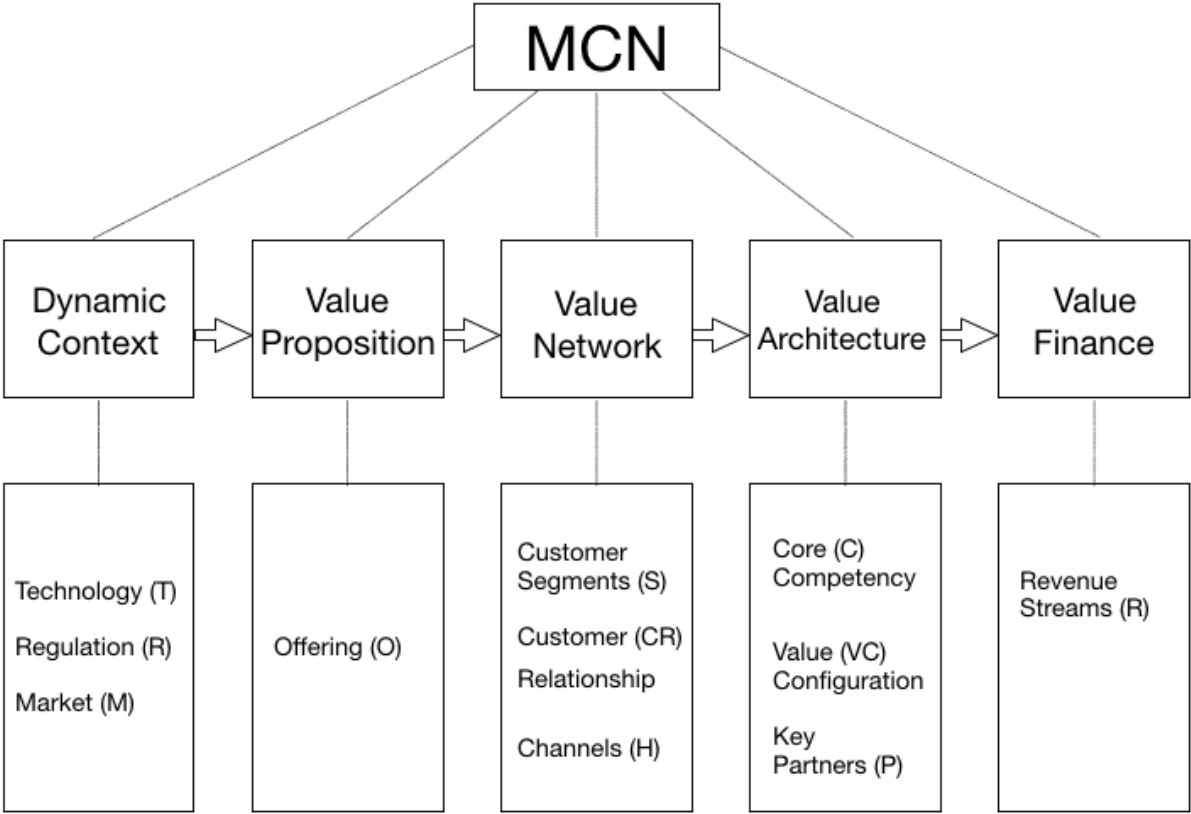
Figure 15. MCN Business Model Code Framework

Based on the relevant literature reviews in the earlier chapter, the MCN business model framework is designed as in figure 15. There are two parameters consulted by Zott and Amit, the three design elements that involve 'content', 'structure', and 'governance' and four design themes, NICE themes by Zott and Amit (2010). I set the design elements as a subject of decomposition in order to combine with other components, and the NICE themes are infused in the business model construction. Moreover, the four-value dimension structure is used as a

standard that divides elements into four categories. The categories consist of one or more than one element. The four-value dimension structure is combined with the four pillars and nine building business model blocks, and the overlapped elements are extracted to put them in the MCN framework (Figure 15). Also, some elements of the business model design are dismissed because of the nature that some information is confidential for the business operation. Also, some element was irrelevant to this research. Lastly, the dynamic context category was added as the fifth category in the framework to find out the external driving forces in each region.

There can be numerous approaches to qualitative data analysis, but Wilson suggested the most effective and fundamental ways, (1) transcribing data, (2) reading and generating categories, (3) interpreting findings, and (4) writing the report (2014). The transformation of the conversation to a written text as transcripts is a necessary process to make a form amenable (Kvale, 2008). However, this is not a simple typing task because transcription is more likely an interpretative process where there is a series of practical and principal issues (Kvale, 2008). When the face-to-face conversation is becoming a transcript, it is the same as the conversation is turning into the 'abstracted and fixated' version; therefore, transcription is regarded as 'the solid rock-bottom empirical data' (Kvale, 2008, p. 125). Therefore, as stated earlier, the interview transcript was carefully treated to be the primary empirical data, and in the process of data analysis, both the primary and secondary data are combined and categorized. As Wilson addressed, 'reading and generating categories' stage can proceed with coding as an analytic tool (Wilson, 2014). Because "coding is a way of indexing or categorizing the text and how you define what the data are about" (Gibbs, 2008). Coding is a way to label, compile, and organize the data as the basis for developing the analysis (Wilson, 2014). The coding process, either with analysis software or paper, the analysis software can be more systematic, but "the paper allows the kinds of creativity, flexibility and ease of access" (Gibbs, 2008. 70). In this regard, the coding process in this research was preceded without software but with paper to fully interpret interviewees' expressions and the impressions in the conversation. Gibbs suggested the process as (1) record label or names of the code that you use in marking up and coding the transcript, (2) record who coded, but not needed if working alone, (3) record the date when the coding was done or change, (4) record the definition of the code and a description of the analytic idea for ensuring that the coding is reliable, systematic and consistent, and (5) record any other notes, ideas related to codes (2008).

In order to make codes, first, there was a categorization process. There are five categories, as seen in the figure, and the categories are based on four business model value dimensions, and one dynamic context, namely 'dynamic context', 'value proposition', 'value network', 'value architecture', 'value finance'. Each category has from one to three elements assigned an alphabet label that is used in coding. In addition, one of the most commonly used approaches to coding is 'grounded theory', and "its central focus is on inductively generating novel theoretical ideas from the data as opposed to testing theories" (Gibbs, 2008. 82). One of the techniques for achieving a grounded analysis is 'open coding' that examines the text by making comparisons and formulating theoretical or analytical codes (Gibbs, 2008). Therefore, the name of codes indicates each element of business models and each driving force in the dynamic context. The categorizations and open coding are based on the theoretical framework in chapter two by literature reviews. Also, it was a selective coding, which is selecting "the central category ties all other categories in theory together is identified and related to other categories" (Gibbs, 2008.87). The dynamic context category ties the other four value dimension categories in compliance with the business model innovation framework. Because the dynamic context can turn into opportunities, and the opportunities can be sensed and seized by the company's dynamic capabilities in order to innovate the company's strategies.

4. Result Analysis

Yin introduced two general analytic strategies. (1) relying on the theoretical proposition, (2) developing a case description (2011). In this chapter, there are five sections. The first four sections are concerning the value dimensions of the business models. Based on the primary and secondary data, an extensive database was created that is related to each company's value generation. Recall the first research question, RQ1: How do United Screens, Treasure Hunter, and Brave Bison characterize its business models? The first four sections in this chapter answer the first research question with comparative tables by developing the case description. Also, the fifth section is regarding the dynamic contexts around each region that affect the three cases' business models. Therefore, the fifth section answers the second research question, RQ2: How do technology, regulation, and market dynamics affect the United Screens, Treasure Hunter, and Brave Bison's business models? Although there will be another discussion in chapter five with these two questions by relying on the theoretical proposition, this result analysis chapter gives some direct account on answering the first two research questions.

4.1. Value Proposition

According to Osterwalder et al., the value proposition is a description of the overall view of a company's bundle of products and services (2005). Therefore, in this value proposition analysis, there is analysis of each company's offerings. Since MCNs are service-driven business, there is no such divisions, products, and services. As YouTube defined, MCN is "a third-party service provider, the service may include audience development, content programming, creator collaborations, digital rights management, monetization, and sales" (2019). All three companies offer services that fit this definition, but there are differences in the way to perform them. This section illustrates how their territories differ to cover those services.

United Screens

United Screens has two main offerings, providing Ad Space on YouTube and influencer marketing campaigns. For an advertiser who wants to reach out their target group with their commercials on YouTube, United Screens offers all formats of ads on YouTube such as pre-roll, mid-roll, true view and bumper ads based on data-driven activities. United Screens also takes care of the whole process of ad campaign from booking, setting up the campaign, adjustment during the campaign period, and also follow ups after the campaign. For the influencer marketing, United Screens offers services such as creating a concept including influencers, all legal processes, and agreements, securing rights, production, publication, and follow up with insights of the campaign. United Screens has its own production team to support creators and brands to produce premium materials when there is a demand. The head of Communications & PR at United Screens explained that although 90% startups fail (Patel, 2015), United Screens was able to survive and remain in the rest 10% because the company makes what people need in the digital environment. Since Google does not promise 100% brand safety (Bennett, 2018), United Screens' offerings are to fill the gap by promising clients the safe environment with their premium partners in their network. According to the head of Communications & PR:

> "Everyone can post video, but YouTube never guarantee brand safety, and that is why we are here. We only represent the selective, premium and brand-safe partners in our network, and that is our offering to our clients."

Treasure Hunter

Treasure Hunter's offering can be divided into three services on a large scale. First, the company offers management service for creators and influencers based on various genre categories of content. According to its official website, the company specializes in Games, Kids, Beauty, Entertainment, Lifestyle, and K-culture content genres. In the management system, the company offers creators and influencers opportunities to boost their revenue by matching with their subsidiaries, for instance, a creator who makes the beauty content can be matched with one of Treasure Hunter's subsidiaries, Lefery Beauty Entertainment, to have more professionalized service that is focused on beauty content. Also, the company connects creators and influencers to local brands for influencer marketing campaigns while providing creator education, shooting studios, and platform data analysis. The second offering is 'marketing solution' for brands. Treasure Hunter manages YouTube channels on behalf of their clients or offers them collaboration opportunities with creators in a package-digital marketing solution. On the other hand, Treasure Hunter's last offering includes various activities. The first activity is 'production'. Because the company has a studio that is suitable for live-broadcasting with content production capacities, the company produces content for other legacy media (Korea, China). The second activity is running the 'creator academy' in Korea and China. The company has been training creators with Gyeonggi Content Agency in South Korea and also in Wanghong Academy as a joint venture with China Broadcasting Academy since 2017. After this activity became popular, some organizations request Treasure Hunter for one-time lectures as well. As a curriculum, the company has programs related to copyright management, taxation, content production, design or editing tools, and platform monetization, etc. All types of information are related to the digital ecosystem. The last activity is 'IP & Commerce' business. The company helps creators for merchandizing goods and protecting intellectual properties as their new revenue streams and in order to thrive, the company also has arranged festivals or pop-up stores to boost its sales. As the Head of R&D at Treasure Hunter addressed:

> "We basically provide services similar to the entertainer management agencies. Regardless of fame, once creators make a contract with Treasure Hunter, the creators need to finish our education program first. In this way, creators understand the features of the digital platform, and this can result in adding more values to their content. If the creators enhance their value, then we can find more profitable revenue streams for them."

Brave Bison

Brave Bison's offerings have distinct aspects from the other two companies. Because Brave Bison's focus is not on managing creators or influencers, but rather on consulting clients. Brave Bison does not have affiliated creators and influencers in its network. The company's mission is finding the best match for brands and their campaigns in a digital space. Thus, the company selects the ad models based on their content strategy to create meaningful, engaging content that attracts the company's target customers. Therefore, Brave Bison does not always choose creators or influencers; sometimes the ad models are celebrities or ordinary people. However, Brave Bison is different from established advertising agencies because their video campaigns are only in a digital video format on social media platforms.

Brave Bison has three core offerings. The company's first offering is content 'strategy' for brands and campaigns on social media. According to its official website, "platform and audience insight are key; our expertise on digital platforms gives us the intelligence to create and execute 'audience first' content strategies for brands" (2019). The second offering is content 'origination' to improve their clients' digital marketing performance. According to the company's word, "we originate branded content ideas that fit for a digital world, culturally relevant ideas grounded human insights and informed by data" (Brave Bison, 2019). The company utilizes data to create relevant content for audiences as well as minimizing the client's marketing costs, and because the company has in-house capacity to produce content, the company joins the process of campaigns as well. The third offering is 'distribution'. The company distributes content, and then measure, also review content performance to make it sure the target audience watch the social video. At the same time, Brave Bison also develops their intellectual property; owned and operated brands, channels, and formats in the digital communities. The company has a Viral Vault platform which licenses user-generated video online and acts as a one-stop-shop for the viral video content (Brave Bison, 2019). Also, as a O&O network, Brave Bison has 'Owned and Operated' social media channels and communities across Facebook, Instagram and YouTube. Lastly, the company has its intellectual property channels such as Slash Football, Rebel FC, Canvas, Sarah TV, etc. The Sales of Director at Brave Bison summarizes the company's' offerings as:

> "We are acting as management, as a consultant, as a strategist, as an expert for each
> of channel, and partners, we have enhanced capabilities. We have people who know
> the deep insights into social content and what works well, we have incredible

creativity, talent researchers, enhanced production teams, because we have this network, we have the ability to distribute content with incredible social strategies."

	The Main Offerings
United Screens	- Ad sales (pre-roll, mid-roll, true view and bumper ads) - Influencer marketing campaigns (assisting the whole process from setting up, adjustment, producing and follow-up)
Treasure Hunter	- Management service for creators and influencers (based on subsidiaries specialized in various genres) - Marketing solutions (Branded-content, digital marketing campaigns) - Content production / Education (creator academy) / IP & Commerce businesses (merchandizing, commercializing)
Brave Bison	- Content strategy consulting (for brands, channels) - Content origination (Branded-content, digital marketing campaigns) - Distribution content to the target audience based on data (O&O channels, IP, licensing)

Table 3. The Analysis of Value Proposition

4.2. Value Network

In the MCN business model framework, the customer segment is located in the value network dimension to describe the customer relationship together. Customer segments define the different groups of people or organizations that a company aims to reach and serve (Osterwalder et., 2010). The customer groups can represent separate segments if the customers need a distinct offer and require different types of relationship (Osterwalder et., 2010). The relationship can have motivations for customer acquisition, customer retention, and boosting sales (Osterwalder et., 2010). In this respect, the channel can be explained as how a company communicates with and reaches its customer segments to deliver a value proposition (Osterwalder et., 2010). The types of channels can be communication, distribution, and sales channels as a company's interface or a touchpoint with customers. The direct channel is the one for the company's own, and the indirect channel is for their partners (Osterwalder et., 2010). Therefore, there is analysis of customer segments and customer relationship together. Also, direct and indirect channels that the companies utilize in this section.

United Screens

United Screens customer segments consist of three different groups which are clients, partners, and audiences. The clients involve Nordic advertisers and brands who want to pay for the United Screens' ad space and campaigns in order to insert their video commercials on YouTube. On the other hand, partners are those who produce content and who have influence on social platforms or music artists. As the Head of Communications & PR clarified the terms:

> "Many of our YouTubers, they do not want to be called as 'influencers', and many artists do not want to be called 'YouTuber'. There has been a debate, so we call them 'partners' and also if there are new channels that do not belong to any terms, we call them 'media.'"

Therefore, the second customer segment group, 'partners' involves all types of creators, influencers, and artists who are in the United Screen's network. On the other hand, the last customer segment indicates audiences who watch the company's content and who potentially purchase the product in their brand campaigns. The audience development is related to their direct and indirect channels. For the direct audience development of United Screens, the company use social media, such as YouTube, Twitter, Facebook, Instagram and LinkedIn while the company covers all types of indirect channels if there is a demand from their partners but the most predominant platforms that their partners use for monetization is YouTube, Facebook, Instagram, and Snapchat. According to the head of communications & PR, the company has handled more than 1000 influencer marketing campaigns, and the company manages about 500 channels at this moment. Most clients are local Nordic brands; therefore, United Screens' clients demand the local influencers as the Head of Communications & PR stated:

> "For instance, we manage Zara Larsson's YouTube channel, and manage her music right, but we are not selling influencer marketing on her channel. Because she is a global artist, and our clients want to reach the Swedish audience, so it is better to go with Swedish influencers."

Because the company's ad sales targets local brands, building personal relationships is crucial for its business, as the Head of Communications & PR commented, the sales team in United Screens sometimes travels to Gothenburg, another city of Sweden to promote the ad sales. Besides, they have a very casual relationship with partners in a relatively long period.

Some of the YouTubers who have been together with the company since its establishment changed their direction to Instagram. However, the partners still want to work with United Screens. The Head of Communications & PR outlined that this is because of the company's flexible and casual relationship with partners, the company call itself as 'professional friends', and the partners feel free to call and ask a department manager when there is any question.

Treasure Hunter

Treasure Hunter has three customer segments as well, but the segments involve different aspects from United Screens. On a large scale, the division of segments is same as United Screens, namely clients, partners, and audiences. However, Treasure Hunter's clients are more likely brands and organizations that refer to any types of companies, organizations, or institution that demand Treasure Hunter's service such as marketing solutions or production and academy. Moreover, Treasure Hunter's second customer segment is also their partners who produce content such as creators and influencers on social media platforms. Treasure Hunter manages 660 partners in the company's network at this moment. The difference is that United Screens' partners involve creators, influencers, and also global artists (or musicians), but Treasure Hunter does not focus on music copyright management for artists or musicians who already have agreements with established entertainer management companies. Lastly, the audience segment has a similar pattern to United Screens, which directs the audience and indirect audience. For the direct channel audience of Treasure Hunter, the company conducts social media management on Facebook, Instagram, and Twitter for its own. In the broader definition, the potential consumers who might buy the product that creators merchandize or commercialize with Treasure Hunter are also audiences of Treasure Hunter's channels. Therefore, managing the company's own social media channels can be very important for promoting the products in a long-term perspective.

On the other hand, for the indirect audiences who can be the fans and viewer of the creators, influencers, and brands channels, the company provide services on various platforms such as YouTube, Facebook, TikTok, Instagram and also Afreeca TV (Korean local social video platform), Daily Motion (French video-sharing platform), Panda TV (Chinese video-sharing website), Naver TV/ V live / Oksusu (Korean video-based platforms). The company has expertise on these various platforms to enhance their creators' content strategies and also analyze data for the better performance of creators. The bottom line here is that Treasure Hunter has a various portfolio of social platforms because Treasure Hunter targets global customers;

therefore, the channels where their customers meet audiences also need to across the globe. According to the Head of R&D at Treasure Hunter:

> "If you see one single social media as a platform, then there are a lot of platforms that we deal with. However, the most dominant platforms that our partners monetize are Facebook, YouTube, and TikTok at the moment. YouTube is prohibited in China, so for the Chinese influencers, we provide services for Weibo."

Brave Bison

Brave Bison targets two customer segments, clients, and audiences. The reason there is no partner group unlikely the other two cases above is that Brave Bison does not affiliate with particular creators or influencers. The company does not aim to have such a narrow network of influencers in a digital space, but instead, the company aims to search them in a broader network for each campaign. Because Brave Bison has an extensive database, and talent researchers, the company customize their service for their clients. Therefore, the partner groups who refer to creators, influencers, and artists in other two case companies, they are all clients for Brave Bison. The audience development is such a massive part of what the company does, and this is closely connected to the company's offering for clients. The main channels that the company uses as a tool to develop audiences for their clients and themselves are YouTube, Facebook, Instagram, and also recently became partners with Snapchat and Daily motion and TikToK. Those are all the platforms that allow the digital video format on platforms, and it is because YouTube is the company's heritage since the company was called Rightster. Brave Bison's direct channel operation is very important for company's revenue because Brave Bison is O&O network on YouTube. According to Brave Bison's website, the company owned and operated social media communities across Facebook, Instagram, and YouTube reach over 1 billion people a week (Brave Bison, 2019), "our properties, including Slash Football, Viral Vault, Revel FC, Canvas, Sarah TV and Superviral TV have their own loyal and engaged audiences, which amplify and drive the conversation" (2019). In 2018, Brave Bison launched two new channels on YouTube, Mutha and Perk on the themes of sustainability and conscious living through Mutha, and work and careers through Perk (Brave Bison, 2018). These two channels were additions to the company's existing portfolio of 18 successful owned and operated social media channels (Brave Bison, 2018). The sales director explained that there are two different ways to do audience development:

"We have a dedicated editorial team who understand how best to develop the audiences for each brand, how best deliver to the audience with the original content that the audiences actually want to watch and share. Also, for our original brands, one of the examples is that we currently launched our own channel called Mutha which is youth-focused, hear-hearting brand, to talk about DIY and conscious living, sustainability with our own audiences."

	Customer Segments & Relationships	Channels
United Screens	- Clients: Nordic brands and advertisers (who want to pay for ads or campaigns) - Partners: creators / influencers / artists (who share revenue, work together) - Audiences: direct / indirect (For the company or for the partners)	- Direct: YouTube, Twitter, Facebook, Instagram and LinkedIn - Indirect: YouTube, Facebook, Instagram and Snapchat
Treasure Hunter	- Clients: Asian brands and organizations (who want to buy the company's offerings) - Partners: creators / influencers (who share revenue, work together) - Audiences: direct / indirect (For the company or for the partners)	- Direct: YouTube, Facebook, Instagram - Indirect: YouTube, Facebook, TikTok, Instagram, Afreeca TV, Daily Motion, Panda TV, Naver TV, V live, Oksusu
Brave Bison	- Clients: brands in APAC / the U.K. (who needs social content consultant with the company's three offerings) - Audiences: direct / indirect (For the company its own or clients' content distribution)	YouTube, Facebook, Instagram, Snapchat, Daily Motion, TikTok,

Table 4. Analysis of Value Network

4.3. Value Architecture

The value architecture dimension describes a holistic view of a company's structure, such as its technological architecture, organizational infrastructure, and configurations (AI-Debei & Avison, 2010). This aspect also includes intangible assets, resources, and core competencies in the resource-based view (AI-Debei & Avison, 2010). Because the organizational and technological assets and resources allow more efficient roll-out of its product and service, and the new configuration enables to create the rare, valuable, and non-substitutable resources (AI-Debei & Avison, 2010). Therefore, in the value architecture analysis, the three elements are addressed, core competency, value configuration, and key partnerships of each company. According to Osterwalder et al.'s description, core competency outlines the competencies necessary to execute the company's business model, and value configuration describes the arrangement of activities and resources (2005). Also, the key partnerships describe the suppliers and partners that make the business model work in the network of cooperative agreements (Osterwalder & Pigneur, 2010).

United Screens

One of United Screens' core competencies is Human resource. The company was founded by Malte Andreasson, Stina Bergfors, and Bonnier Ventures in 2013. Bonnier Ventures was the one who financed the company since the early start. According to the interview with the Head of Communication & PR at United Screens, the company was able to start at a very early time because of a deep understanding of Google ecosystem by founders. One of the Stina Bergfors was the CEO of the Google and YouTube in Sweden, and Malte Andreasson worked as Scheduling Director for the Swedish channel TV4 (RTL, 2018). They knew that a profitable business model is coming up within Google. As a result, United Screens was ranked as the second fastest-growing company in Europe in the Media section and 77th overall in Europe by Inc. Magazine in 2018 (Inc, 2018). United Screens has rapidly grown with a premium selection network from many of the best video creators in the Nordics and has developed branded-content campaign capabilities (RTL, 2018). Therefore, there was an acquisition by RTL Group in January 2018. The RTL Group is one of the European TV giants, and the group offers advertisers pan-European digital video campaigns in premium and brand-safe environments (RTL, 2018). The value was configured and strengthened by the RTL group. The Head of Communications & PR also outlined:

"RTL Group researched before the acquisition about growing MCNs, and what they found out was United Screens was the most outstanding in Europe. So, they invested in us quite heavily. Also, although we were acquired, our business model is almost the same as before. And we have a really good relationship with Divimove in Germany after the acquisition to help each other."

In 2019, RTL Group combined United Screens with Berlin-based MCN Divimove under the upcoming plan of integration with Dutch MCN (Roxborough, 2019). Also, United Screens has a subsidiary company, United Screens Music, that was launched in December 2018 in order to meet the demand of the market. The company already had expertise and knowledge within music, digital rights, and copyrights from the experiences working with the global musicians (United Screens, 2019). Therefore, opening United Screens Music was such an addition to the music labels to specialize in music channels and rights owners, global artists such as Alan Walker and Zara Larsson (United Screens, 2019). The company's internal core departments are the sales, project management, production teams that generate value and operate the business in order to deliver to customers.

Treasure Hunter

Treasure Hunter's core competency is human and financial resources. The company's establishment story has a similarity with United Screens' start. Treasure Hunter was founded by Jaeryong Song in 2015 (Kwak, 2019). Before its start-up, Song worked in CJ E&M, which is one of the biggest conglomerates in South Korea (Kwak, 2019). The conglomerate was looking for a new business model that can be embarked on. Song found out that the MCN business model was booming in the U.S. (Kwak, 2019). Therefore, the operation team for MCN business was created to follow Song's lead, but the team faced some difficulties with supporting various creative ideas in such a huge system of the conglomerates (Kwak, 2019). Therefore, he left and established a start-up, Treasure Hunter, in a more creative-focused manner. According to the interview with the head of R&D at Treasure Hunter, when Song started Treasure Hunter, there were several colleagues (including the interviewee) who left the conglomerate to follow him, and they are all competent experts who have worked many years in the media industry. This is one of the reasons that the company has a remarkable growth rate with five overseas branches in China, Hong Kong, Malaysia, Indonesia, and Thailand (Treasure Hunter, 2019). According to the audit statement of the company, Treasure Hunter's turnover was increased by 53% between 2017 and 2018 (Kim, 2019). Moreover, the creative mangers who manage

creators or influencers directly, take a huge role in the company. According to the Head of R&D of Treasure Hunter:

> "Although we have separate departments, the creative managers are the core of our operation. The creative managers communicate with creators, and when there is a special request, the creative manager go to the relevant department."

Besides, Treasure Hunter has a variety of subsidiary companies that specialize in the specific business. For instance, Leferi focuses on beauty influencers and commercializing their brands, and Star E&M handles in the entertainment business; also, Lattuo and Cremarket are specialized in commercializing a product and matching the product with pop-up stores while TheCollab focuses on Intellectual Property business (Kim, 2019). The number of subsidiary partnerships is constantly increasing not only to create more revenue streams but also to expand its global market. There was more than 10 billion investment in total on Treasure Hunter in 2015 (Gwon, 2015). That is why the company was able to affiliate with many subsidiaries from its beginning with the competent human resource of the founder. The subsidiary partnerships are vital for Treasure Hunter to increase its turnover because each subsidiary has its own business model internally, and this contributes a significant portion of the total turnover of Treasure Hunter. Each subsidiary has generated revenue mostly from commercializing the value of creators, influencers, and their content in the way of merchandizing products and utilizing their fame and influences. As the Head of R&D at Treasure Hunter explained:

> "This kind of business model is prevalent in South Korea. At an early age, we also only focused on content, but now we are more focused on diversifying our business models. We have management service and marketing solutions for brands like other countries' MCNs, but also, we have new businesses that are called 'commerce' in our industry. There can be several examples of 'commerce' that we have executed so far. The first example is opening 'pop-up' stores in a huge department store to sell the products that our influencers promoted and merchandized with us, and the second example is opening a festival that all the influencers and their fandom can join and sell products with events."

Brave Bison

Brave Bison was previously Rightster, which was founded in 2011. After its rapid growth, Rightster made two investment decisions in 2013. The first one was the acquisition of Preview Networks, a European distributor of film trailers and branded content while the second one was acquiring the assets of Sports Syndicator, a UK display advertising sales agency (Brave Bison, 2019). According to Brave Bison's official website, through these two decisions, the company was able to achieve a significant geographic reach, range of capabilities and talent pool in content acquisition, media sales, publisher outreach and the paid placement of content on publisher sites (2019). More importantly, the company acquired two other MCN companies in 2014, which was Viral Management Limited and Base 79 Limited (Brave Bison, 2019). Rightster adopted social video management skills, licensing capability, and brand knowledge from Viral Management as well as enhancing YouTube capability, partnerships with influential creators, and brand expertise from Base 79 (Brave Bison, 2019). Moreover, Rightster created an in-house production studio to produce content for social platforms, primarily YouTube and Facebook, and at the same time, the company rebranded as Brave Bison to respond to the content creation push in the world in 2016 (Digital TV, 2016). While Rightster was focused on services for other content owners as a third party, after the transformation, Brave Bison became a video broadcaster that utilizes its expertise in online video content, video creator partnerships, and audience generation (Briel, 2016). Therefore, Brave Bison's core competency is the intellectual resource, which is the company's accumulated database since 2011, also their speed to execute campaigns based on their expertise that was gathered from previous acquisitions and experiences. The Head of Marketing & Communications emphasize that the company's competency is 'speed' as:

> "Sometimes, even it takes three or four days, it is still a small team, so we are able to turn things around incredibly quickly. Everyone knows how to work with each other very well with clear direction where we are going."

Brave Bison has broadly seven departments that are the operation, publishing, creative, sales, finance, marketing and legal departments. With the publishing department, the company has different editorial teams, and within the creative department, there are also design teams. As addressed above, these competent teams that are specialized but small made the company's operating at high speed. Brave Bison also makes 'partnership' with the social media platforms directly because unlikely other two companies, Brave Bison owns and operates channels as a

distributor, not only for the communication method but more likely to develop authentic and genuine relationships with their audiences. In this way, Brave Bison is a 'brand' itself, and a digital 'publisher' who create and distribute content for themselves. In this regard, Brave Bison builds partnerships with social platforms, such as YouTube, Instagram, Facebook, Snapchat, TikTok, and Dailymotion. On those platforms, Brave Bison has launched channels to monetize and to engage with its audiences. The Sales Director added comments on this as:

> "We know what works in social. We have a very close relationship with Facebook and Snapchat and all of the other platforms, because of the years of expertise, we know exactly what content deliver for each individual platform."

Brave Bison also has a partnership with Unruly in the APAC region that has software called Unruly EQ which allows content testing and targeting solution that uses emotional data to supercharge campaign impact and boosting brand metrics (Unruly, 2019). Brave Bison works with Unruly to test and to optimize their content before publishing it. Also, according to the Head of Marketing & Communications:

> "Google is also an informal partner with the APAC region, because Google recommended us some of the clients who came to them for creative partners. Those clients are strong and very well-known brands in that region."

	Core Competency	Value Configuration	Key Partners
United Screens	Human resource	As a core value: Sales, Project management, Production team	- Parent company: RTL - Subsidiary company: United Screens Music
Treasure Hunter	Human / Finance resource	Creative-centered operation, Departments support the creative teams Outsource legal and accounting firms	- Subsidiary company: Leferi Beauty Entertainment, Star E&M, Lattuo, Playground, Cremarket, CollLab
Brave Bison	Intellectual resource	Core departments: Operation, publishing, creative, sales, finance, marketing and legal	Partnerships: YouTube, Instagram, Facebook, Snapchat, TikTok and Dailymotion Software Partner: Unruly Informal Partner: Google in APAC

Table 5. Analysis of Value Architecture

4.4. Value Finance

The value finance consists of information related to costing, pricing methods, and revenue structure of the organization (AI-Debei & Avison, 2010). However, since the three cases are all private companies, some of the finance aspects were confidential and not shareable. However, the analysis of their revenue streams gives the core information about their primary revenue sources and how the company's values are financially circulated. Therefore, instead of

presenting the numerical information, there was one additional question in the data collection process that ask interviewees about the most crucial factor for the sustainable business models in the industry. Therefore, in this section, the three cases' revenue streams are represented to show cash that companies generate from each customer segment, and also their strategies to remain viable in the industry.

United Screens

United Screens' revenue is from two activities that are influencer marketing campaigns and Ad Sales. The company partnered up with more than 500 channels that have a large number of views in order to generate enough revenue. The company has a department called 'extended management', which handles extra management such as publishing books or presentations for special occasions, even holding some music concerts with partners under the special agreement. However, the number of partners who sign up for this kind of agreement is only a few between 15 and 30 partners. Therefore, this kind of activities are not included as the main revenue streams. United Screens' the most crucial factor to survive in this industry is 'keeping a high level of brand safety' because the brand safety is one of the reasons their partners need the company. Also, 'transparency' with partners. According to the Head of Communications & PR:

> "We are quite upfront. Most of the revenue always goes back to our influencers because we brand ourselves as 'good guys' in this industry. The MCN industry had a bad reputation when we started; therefore, this is one of our responsibilities to construct a transparent and trustworthy system."

Treasure Hunter

Treasure Hunter has relatively complicated revenue streams because there are many activities in the company's offerings. But broadly, the company has three main revenue streams. The first revenue stream is channel management for brands and creators who ask the company to manage their channels on behalf of them. The second stream is branded content, and this includes influencer marketing and brand collaboration events. On the other hand, the third stream involves three activities, production, education, and IP & Commerce. Because this third revenue stream is new businesses that are operated with subsidiary companies together, there can be many parties that share the revenue. Therefore, those kinds of additional activities are combined as the third revenue stream together in this analysis. According to the Head of R&D

at Treasure Hunter, the success in MCN industry is dependent on a company's philosophy and its strategy with well-developed communications:

> "Within the MCN business territories, there can be many variations; therefore, the company should focus on what they do the best. Some can specialize in the distribution or branded content while another tries to concentrate on commercialization. However, as in the management perspective, the most important factor is the authentic communication, not only with our creators but also with the audiences who are in the back there because the ultimate customer is the audiences who actually purchase product."

Brave Bison

Brave Bison has four sources to generate revenue. The first one is branded content in the U.K. and the APAC regions. The company offers data-driven strategic advisory or content production assistance for the brands, and the company generates revenue from fees and its IP assets. The second one is advertising revenue because Brave Bison owns and operates channels, the company can collect ad revenue from social media platforms when the company publishes content itself. The third one is licensing through the company's property Viral Vault, which is a platform licensing user-generated content. The last revenue is from channel management. Brave Bison also manage social platform channels for other brands and organizations and receive fees from them in exchange for its management and strategic advisory services. On the other hand, for the sustainable MCN business model, Brave Bison emphasize on 'diversification', as the Sales Director commented:

> "There is a lot of awareness of the duopoly between Google and Facebook. This is being challenged in the number of different ways from creators realizing that they cannot just rely on those two platforms. Also, in the business perspective, even though they are giant, those two are not enough. So, there should be an appreciation of how each platform works differently and how different appeals, benefits, pitches they have, and it is important being relevant to all social platforms in the same respect."

	Revenue Streams
United Screens	Ad Sales + Influence marketing campaigns
Treasure Hunter	Channel Management + Branded Content + Content production / Education / IP & Commerce
Brave Bison	Branded Content + Advertising Revenue + Licensing + Channel management

Table 6. Analysis of Value Finance

4.5. Analysis Units in Dynamic Context

Recall the Brouwman and MacInnes' dynamic framework from chapter two, the authors argued that business models change under pressure of the three dynamic forces in 'markets', 'new technologies', or under 'regulatory constraints' through influence on the services, finances, technology, and organizational network of a company, also as a result, their partners in value webs (Bouwman & MacInnes, 2006). Therefore, in this section, some of the external driving forces around the MCN industry are highlighted in terms of technological opportunities, regulatory issues of each region, and target market situations that can affect the transition of the case units' business models.

Technology

Since its first emersion, the MCN business model has been highly dependent on the development of new digital technology. There was a high adoption of digital technology, such as facilitating content management systems with analytics programs and infusing programmatic advertising strategies. Technology does not go backward; it always goes forward. Therefore, for continuous innovation in business models, a company's constant adoption of new technology is such a crucial activity. There are several technological opportunities ongoing in the digital world that the MCN business can take into consideration. The first technological driving force is the evolution of Artificial Intelligence, as the Head of Marketing & Communication at Brave Bison pointed out:

> "AI system enabled everything integrated and relevant for you. They always know
> your preference. However, there has been a lot of scandals this year, some of the
> giants; for instance, Google analyzes your data through all the platforms,

particularly maps and search engine. That is becoming powerful forces to everyone's life, and this industry is about how to consume it as respond to that."

Artificial Intelligence marketing is a method of leveraging technology to improve the quality of customer experience, and this is accomplished by using big data analytics, machine learning, and other processes to gain insight into the target audience (Forbes, 2019). According to Forbes' analysis, AI streamlines and optimizes marketing campaigns, and AI has even more potential to both curate and generates content, also to place it to the right people on the right platforms (2019). MCNs can build more effective touch-points for customers by utilizing this AI potential, and even there are already some marketing tools for mapping out an end-to-end content strategy, and these systems operate autonomously based on complex algorithms and big data, known as "programmatic advertising." (Hall, 2019). AI is evolving, and user's data is changing day by day; therefore, the key point is that MCNs need to keep updating the development of AI technology and learning how to utilize them.

On the other hand, according to the Treasure Hunter's official website, the emergence of the fifth generation of cellular network technology (5G) would be a great support for MCNs to grow further (Baek, 2019). 5G networks are the next generation of mobile internet connectivity, offering faster speeds and more reliable connections on smartphones and other devices (McCann, 2019). The 5G networks are already launched in three countries, Sweden (Telia, 2019), South Korea, and the U.K. (McCann, 2019) but the available locations are limited now; therefore, more development and commercialization are expected in 2020 (McCann, 2019). Besides, since 5G network is much faster than 4G, there can be substantial marketing opportunities, especially with video content marketing. According to an interview with a chief product officer, also a co-founder of Realeyes, there would be higher resolution on videos and a significant decrease in ad loading time (Cribben, 2019). In this way, consumer interactions with advertising will be more enjoyable in real-time with emotional states and attention levels (Cribben, 2019). "Video ads will be able to change storylines in med-flow in response to a viewer's responses" and also more customized content based on individual preferences that push up engagement rates (Cribben, 2019).

Furthermore, another technological force is ever-changing social media algorithms. Social media algorithms are a way of sorting posts in a user's feed based on relevancy (Barnhart, 2019). The algorithms use factors and signals to determine content in users' feeds, and this is

how social media curates the vast amount of content into a manageable portion of information for each user (Donovan, 2018). By default, social media algorithms determine which content to deliver to another user based on an individual's behavior (Barnhart, 2019). However, one of the problems with utilizing social media algorithms is their black-boxed nature (Bucher, 2012). While some components of the algorithm are known, many of the components are obscure (Bucher, 2012). Therefore, as widely known, it is almost impossible to reveal all the factors of the current algorithms and their changes each time. Also, algorithms are constantly evolving as an attempt to provide users better experiences in their platforms. Therefore, MCNs have to consistently notice and adopt the evolving social media algorithms and changes in user behavior on each platform for improving their services. The Head of Communications & PR at United Screens also outlined this matter:

> "We need to be aware of the changes and adopt new technologies and functions on each platform. For instance, Instagram was only about posting pictures before, but now users watch 'Your Story' videos much more than posts in their feeds."

Regulation

In the dynamic framework, at the first phase, the technology was the most important external driver for the development of new business models, however, in the next phase, the regulation is the most critical force because the product or service need to comply regulatory issues such as fair competition, telecommunication regulation, privacy, intellectual property rights, and content regulation (Bouwman & MacInnes, 2006). In the same notion of this framework, certain regulatory constraints are revealed that the three MCNs have faced in each region.

Firstly, the application of the General Data Protection Regulation has shown massive impacts in European countries. GDPR is a European regulation since May 25, 2018, and it is designed to set a uniform standard across the EU countries concerning the way organizations collect, use, and share personal data of data subjects in the EU (Davidovich, 2018). The application of GDPR is across the border, and it covers the processing by organizations established in the EU of personal data in their activities (Davidovich, 2018). Digital marketing involves two main activities related to the use of personal data, which are 'data gathering or profiling', and 'targeting users' (Cauchi, 2019). Those are the activities of collecting information related to customer interaction, and analyzing the market with customer profiles, and reaching out the potential customers by communicating the product offer and targeting

based on specific profile groups or segments (Cauchi, 2019). Therefore, using personal data for conducting marketing activities within the MCN business areas in EU countries became more challenging, and this caused many difficulties because companies need to ensure its compliance and consider many numbers of cases in advance.

Secondly, social media platform' regulations and policies are such a vital factor for MCNs' performance. Regarding user data protection, social media platforms' policies are controversial. For instance, historically, Snapchat has been focused on the privacy policy, and this made developers and advertisers difficult to extract user content and data from its app (Feldman, 2019). According to the Sales Director of Brave Bison:

> "Snapchat does not share data at the moment, and that needs to be changed. The company keeps data and its algorithm itself in such a restricted way. This will be more challenging because people are not in one platform anymore, they move across audiences, shift to see more. Thus, we are interested in to see how each of the platforms can work together to create tools that everyone can benefit from."

Besides, Instagram launched a paid partnership feature in 2017. The paid partnership is a tool that helps influencers disclose when a post is sponsored and helps businesses gather insights about how their sponsored content campaigns performed in the platform (Chacon, 2017). The Sales Director of Brave Bison also commented on this matter:

> "Paid partnership disclosure is something we advocate in terms of trust and transparency. This regulation is about protecting people's data and using data in a way where they have consent and very open, honest about how their data is being used. This is such a positive step for the industry and our company embracing it, but this is also difficult because this means we have to put a lot of considerations and we have to be completely clear on each step."

On the other hand, another regional constraint is Internet censorship in South Korea. South Korea is one of the few global democracy countries that has enacted substantial surveillance controls on online communications (York & Reitman, 2011). The citizens are guaranteed freedom of speech and individual rights, but they do not have well-developed privacy rights (Yoon, 2017). The Korea Communications Standards Commission has the

authorization "to reject, stop, or restrict telecommunications activities that disseminate, sell, rent, or exhibit salacious (obscene) symbols, documents, audios, images, or video" (Lee & Tamborini, 2005). According to Electronic Frontier Foundation (EFF) which is a non-profit organization defending digital privacy, the South Korean surveillance system is "nebulous, overbroad, and this can be interpreted not only to cover content deemed obscene, but also content that is political or historical in nature." (York & Rainey, 2011). This unique Internet nature is becoming one of the constraints to South Korean MCNs. Also, this is a reason why Treasure Hunter has focused on 'creator education' offering to prevent the upcoming constraints. The company aims to be a cornerstone of the industry that contributes to constructing a healthy environment. This goal is not only about creating a positive community on the Internet but also about avoiding situations against governmental restrictions. The Head of R&D at Treasure Hunter stated:

> "There has been no constraint yet, but some moves arose to strengthen regulations since 2018 to restrict content on social media in Korea. There has been a lot of disputes between lawmakers to make sure which law should be applied to restrict MCN's operation with Internet broadcasting. Some insist that the Telecommunications Business Act should treat this matter, but others argue that this is more related to the Broadcasting Act."

Furthermore, the South Korean government also started to strengthen the taxation system on high-income influencers on social media, especially on YouTube, to prevent tax evasion (Shin, 2019). When the influencers or creators belong to MCNs, their revenue is taxed based on income data submitted by MCNs. However, it is difficult to verify income sources when they do not work with MCNs (Shin, 2019). The situation is similar in Sweden and the U.K. (Blake, 2017). According to the Head of Communications & PR of United Screens:

> "We have United Screens academy for our creators and influencers in our network to explain the social media ecosystem. We want them doing right. If they do wrong, that will badly affect us, so we educate them and educate the whole industry. Taxation is a very important thing to educate because there is a special tax system for influencers in Sweden. We also have 'Creative Friday' workshop once a month to talk about things like time management and their mental health issues."

The governmental regulatory issues can be seen as obstacles in the influencers or creators' point of view; however, this can be a valid reason why they need to work with MCNs. Since the digital users are relatively young, some of the regulatory issues can be very difficult to comply; therefore, MCNs should take the role of assisting to prevent any negative circumstances and also against the precarious system in this industry.

Market

All questions raised in the three phases of the dynamic framework can be used in the analysis of the impact of opportunities (Bouwman & MacInnes 2006). Therefore, here are some questions about whether there are potential opportunities in their target markets. In fact, there is no way to capture the exact market trends when it comes to the digital media space, especially in terms of the user consumption and usage data on social media because they are continually changing. However, there are some studies from other organizations to show the recent trends of each targeting market. Thus, some of them are introduced in this section to illustrate the relationships between market situations and strategies.

First of all, United Screens targets the Nordic region. According to Retriever, which is Scandinavia's largest media analytic organization, the Nordic region has very different user behavior, and its patterns on social media depend on each country (2016). For instance, according to the study from Audience Project, among 22,000 respondents in the Nordic region, 78 % use Facebook, and 72 % use YouTube (2016). Therefore, there can be a conclusion that Facebook and YouTube are the most popular social media in the Nordic countries. However, there is an important consideration because Norwegian is much more dedicated to Facebook, while Swedish are keen on using YouTube (Audience Project, 2016). Also, the same study shows that the number of Instagram users in Sweden is double than the number of users in Denmark, and WhatsApp is highly prevalent in Finland, although Danish populations barely download it (Audience Project, 2016). Therefore, United Screens needs to catch the differences in the Nordic region and find an appropriate strategy to operate suitable campaigns in each country. To react to that, United Screens has opened offices around the Nordic region since 2014. Because there was a demand for United Screens' service from other Nordic countries and this requires understanding the market needs on the spot, both clients and influencers (United Screens, 2019). Stina Bergfors, one of the founders and CEO of the company, stated that "the establishment in Norway, Denmark and Finland was a part of our plan as a company" (United Screens, 2019). Therefore, as a result, United Screens became the largest network in the Nordic

region, and the company has the highest level of MCN rights on YouTube in Nordics. The Head of Communications & PR at United Screens clarified:

"We are the only MCN that has all the rights on YouTube and covers the entire Nordic region. Our competitors in the Nordic region have only some of the rights, and their coverage is smaller than us. Anyone can get an agreement with YouTube, but there are different levels, and our company is at the top of the YouTube partner right pyramid in Europe, and only American companies are above us."

United Screens covers all the rights on YouTube from basic network agreement, partner with channels, control copyright, sell their own ads, sell programmatic advertising, book their own campaigns, partner with music creators, and sell ads on music content. Since United Screens is the largest and highest MCN in the Nordic region, the local brands trust the company's brand safety. Trustworthy is very important for United Screens to keep the number of local clients, and the company believes that this can be obtained by promising their clients premium campaigns based on a deep understanding of the Nordic region's characteristics. The Head of Communications & PR at United Screens outlined that:

"Swedish brands trust Swedish influencers. They want to focus on local people, and that is what works so well with us, we are gathering all channels information in our content management system, so we are aware of the differences between countries in the Nordic region, and this is good to focus on the local market with our selective partners in the network."

On the other hand, Treasure Hunter targets the global market. As written on the company's website, becoming the next global media group is the company's ultimate goal. According to Korea Multi-Channel Networks Association, the number of MCNs in South Korea was already more than 300 in 2016, and the association appeared in the same year to address relevant issues in the competitive environment (KMCNA, 2019). Since the number of populations of South Korea (50 million) is relatively small compared to its neighbor country, China (1.3 billion) and the origins of MCNs, the U.S. with 300 million (Shim, 2015), Treasure Hunter designed the company's business model to target global customers since the beginning of the company's operation. According to the Head of R&D at Treasure Hunter:

"Although our competitor (DIA TV) is not interested in global tendency, our company has been interested in the global market since our start. Korean market is not big enough to create sustainable business models in a long-term perspective, and also the environment is too competitive."

According to Statista, which is one of the well-known statistical data portals in Europe, the top 5 countries that have the highest social media penetration are the UAE at 99%, Taiwan at 89%, South Korea at 85%, Singapore at 79% and Hong Kong at 78% (Clement, 2019). The total statistics are derived from the amount of active social media users for the top social networks in each country compared to the total population (Appendix 2) (Clement, 2019). Also, according to the researcher of this report, the mobile social media penetration in Asian countries was high due to the mobile-first connectivity in these markets (Clement, 2019). This result shows that the active social network users are dense in Asia, and this can be an excellent opportunity for Treasure Hunter. The company launched overseas branches in China, Hong Kong, Malaysia, Indonesia, Thailand, and also another branch is about to open soon in Vietnam. These overseas branches are a part of the company's plan to expand its market. According to the company's website, Treasure Hunter plans to reach out to the customers in Asia, Middle Eastern, Europe, and North America. Moreover, South Korea has a variety of content genres on video platforms based on a long history of user-generated content and live-broadcasting (Hong, 2016). The live-broadcasting video platform started even before the YouTube era in South Korea with the Afreeca TV platform that was already popular since 2005 with Mukbang content. "Mukbang is a portmanteau word that combines the Korean word for "eat" (muk-da) with the word for "broadcast" (bang song)" (Hong, 2016).

"In the Afreeca TV, there was already a payment structure which was not 'pay-per-view' (ad-based) or salary-based, instead, the audiences voluntarily send their favorite BJs (which stands for Broadcasting Jockey, Korean use of this acronym uniquely) money in the form of "star balloons"—a type of proprietary virtual currency that can be bought and sold with regular fiat cash"

(Hong, 2016).

After the Mukbang content went viral, the YouTube era arrived, and the YouTubers in South Korea started to push unique content based on Korean-style content such as different versions

of Mukbang or K-culture, K-beauty, K-idol, etc. (Lee, 2019). The Head of R&D at Treasure Hunter added an opinion about this phenomenon:

> "The competitive environment is such a cultural behavior. When a business gains popularity, almost everyone starts the same business all of a sudden in South Korea. Also, South Korea has a long history of IT infrastructure, and that is why the MCN industry has rapidly grown. Also, other Asian countries endorse Korean content, this helped us to expand our market quickly in Asian countries, and now we started to expand our market in the Middle East countries by partnerships."

To overcome such a demographical limitation, Treasure Hunter has made moves towards abroad. Moreover, to thrive in the specialty of Korean content, they started to approach the potential markets step by step. The company's subsidiaries are also located in some of the Asian countries (most of them are in Korea but opening more in Asian countries) to assist their Asian offices and also to specialize in specific genres that are popular in each region.

Lastly, Brave Bison also targets global clients and audiences. According to eMarketer, (Enberg, 2019), the global number of social media users is expected to grow more into the 2020s, and digital ad spending worldwide is expected to reach $333.25 billion in 2019 (Enberg, 2019). Particularly, on the way to accomplish the company's aim, Brave Bison found a strong competitive position in the APAC region. According to Zenith Global Intelligence Q2 2018, there is a forecast that global advertising expenditure will grow by US$75 billion between 2017 and 2020, and US$32 billion of that will come from Asia Pacific which can project that the APAC region will be the main driver of the global Ad Spend growth (2018). Therefore, the Brave Bison invested on the APAC region since 2018. As a result, the company has partnered up with some of the world-class Asian brands with remarkable results. For instance, the company worked with the luxury Japanese skincare brand SK-II to create an online reality series, and this project resulted in 10 billion impressions and 9 million social engagements (Brave Bison, 2019). Also, the company partnered with Hyundai, South Korean automobile company, to produce three epic travelogues with well-known influencers, and the project was ended up generating over 7 million views on YouTube and 600,000 engagements (Brave Bison, 2019). Brave Bison's strategic investment toward the APAC region and the campaigns with Asian brands are such a unique move since no companies are operating in the same way as Brave Bison. As the Sales Director at Brave Bison explained:

"I do not think any companies are doing exactly what we do, there are some social specialist, agencies, social chain, publishers, manage creatives or channels, or directly with influencers, but none of them are exactly same as us."

Since the company focuses on the U.K. and APAC markets predominantly at the moment, Brave Bison launched APAC headquarter in Singapore and also about to open offices in Japan, South Korea, and Thailand (Brave Bison, 2019). The Head of Marketing and Communications at Brave Bison added comments about their global strategy:

"You can learn from so many different parts of the world. Compared to the U.K, Asia operates on a different scale, different behavior, and there are so many different nuances every country has. Singapore cannot manage the whole APAC region, because each country is so different in terms of language, culture, audience behavior, and their interests. I think this approach gives the U.K. a really good perspective. This keeps you to be on the top of the game because you are hearing what is happening there, and you can use the best practice as well."

	Technological Opportunities	Regulatory Constraints	Market Situations
United Screens	Artificial Intelligence, 5G network, Social Media Algorithms	GDPR, Social Media Policies, Taxation System	Targeting Nordic region, Focus on different user behaviors in each country in Nordic region, Offices in capital cities of Nordic region

Treasure Hunter	Artificial Intelligence, 5G network, Social Media Algorithms	Censorship, Social Media Policies, Taxation System	Targeting Global Market, Expand markets step by step from Asia, Offices in China, Hong Kong, Malaysia, Indonesia, Thailand
Brave Bison	Artificial Intelligence, 5G network, Social Media Algorithms	GDPR, Social Media Policies	Targeting Global Market, Focus on APAC and the U.K. at present Headquarter in Singapore, Opening offices in Japan, Thailand, South Korea

Table 7. The Analysis of Dynamic Context

5. Discussion and Conclusion

In chapter five, there are two sections, discussion, and conclusion. In the discussion section, the third research question is answered, RQ3. How do United Screens, Treasure Hunter, and Brave Bison innovate their business models in the dynamic contexts? This third research question is such a convergent question that combines question one and two. Therefore, the relevant discussions are extracted from the previous result analysis chapter. Unlikely the previous chapter, the discussions in this chapter are more relying on the theoretical propositions that was revealed from chapter two. Therefore, this chapter five ends up with a conclusion that summarizes and connects all chapters and findings of this research.

5.1. Discussion

In the result analysis, the first four sections indicate the value dimensions of three MCNs, United Screens, Treasure Hunter, and Brave Bison. How the three MCNs provide their values to markets in each dimension, gives an account to compare their similarities and differences. Furthermore, in order to answer the first research question not only with a case description but also with the theoretical proposition, Cunningham's theoretical framework is brought here to discuss further. The most significant finding from the four value dimension analyses is that the three MCNs have similarities and interdependencies with the traditional or established media. For instance, United Screens has a business model that fit in the YouTube's official definition compared to the other two MCNs. Because Treasure Hunter and Brave Bison expanded their services that are close to the traditional media. In the case of Treasure Hunter, the collaboration with broadcasters in production, developing creativities through creator education, expanding revenue streams with IP and commerce business are very similar to the traditional talent agents in Hollywood. United Screen's management service for its partners also has a similar aspect to the traditional talent agent, but Treasure Hunter utilizes the management service as one of its revenue resources; therefore, Treasure Hunter acts more likely the traditional talent agents. Meanwhile, Brave Bison also has IP and licensing services that are similar to the established media distributor or broadcaster because the company has its own channel that distributes itself, with their own audiences. Also, Brave Bison's role in the media industry is very close to the established advertising agencies as well. Because Brave Bison offers customized service for each campaign with a different aspect, and the company participates in the real-time bidding to compete with other advertising agencies. Treasure Hunter has a similar process to take a marketing project from brands which the company convinces brands that digital advertising is much more cost-effective. However, the difference is that Brave Bison does not manage particular creators and influencers in their network. Therefore, Brave Bison choose the most suitable heroine of each campaign who can appeal and engage with their target group. Although the company's service domain is the digital format, its role is similar to the traditional advertising agencies in the media industry.

These tendencies are the evolving interdependencies in the new screen ecology. As Cunningham and Craig argued, "The old and new media are able to be 'friends' at the convergence place because the new screen ecology is not a space that only one can win". The three cases have evolved by expanding their business models, and the transition has

encompassed from MCN 1.0 to MCN 2.0. This means that the three cases have both SoCal and NoCal cultures in their business performances. For instance, the way that United Screens manage their partners is similar to the SoCal culture. Because sharing information and educating partners to keep their network premium at the high level of brand safety are the talent-driven approach. United Screens also sell ads on YouTube, which is more likely the NoCal strategy that had never seen before YouTube's arrive. Meanwhile, Treasure Hunter's creator management system is much more likely SoCal side players. Because Treasure Hunter has a copious management service for creators with a certain degree of the creative control. The educational service in Treasure Hunter is to prevent the regulatory fractions in advance, but this type of service is very similar to the traditional talent management system. However, Treasure Hunter also has the NoCal aspect, which is offering branded content as a marketing solution based on data-driven strategy. However, the most significant aspect is Treasure Hunter's other services, production and IP & Commerce. According to the interview result, the South Korean MCN business models have a strong tendency to focus on various types of commercializing and merchandizing, which is a mix of Chinese and American MCNs (The Head of R&D at Treasure Hunter, 2019). Chinese MCNs are specialized in the commerce business, while the American business models are more focused on ad sales (The Head of R&D at Treasure Hunter, 2019). Lastly, Brave Bison's service is very close to the NoCal culture that deploys IT strategies, data-driven audience development, and advanced measurement system. Because Brave Bison produces content based on data analysis and test content with software like Unruly before publishing them. Also, Brave Bison's data utilization to target the right audiences is very similar to the PGC's platform strategies. For instance, Netflix collect its user data, and implement data analytics models to discover customer behavior and buying patterns for the production of its big-hit original shows or for its content recommendation algorithms (Dixon, 2019). Brave Bison's intellectual properties channels also work in the same way. In its own word, the company originate "content that grounded human insights but informed by data". Therefore, Brave Bison distributes and deliver content to the target audience based on data, and this is a very typical NoCal attribute. However, again, its another role which is similar to the traditional advertising agencies at the operational level such as bidding-system and recruiting ad models, can be seen as SoCal culture.

Therefore, one of the findings with the first research question is that the three MNCs have similarities with the traditional media organizations such as talent agents, studios in Hollywood and advertising agencies or established broadcasters in the way of collaboration,

production, distribution, and creative control. However, they also evolved with the new integrating digital technologies as a convergent space in the middle. The SoCal and NoCal cultures characterize the three case business models. The MCNs have innovated from both sides. All three MCNs offer value-added services, superior to basic YouTube analytics, and integration data service from various platforms as the NoCal side, but also more personalized Hollywood management service with traditional media attributes in the SoCal side. Although all three cases have innovated from both sides, United Screens seems more likely the classic version of MCN in compliance with YouTube's official definition. United Screens is more balanced between the NoCal and SoCal sides. In comparison, Treasure Hunter's business models are more focused on finding sustainable revenue streams with the copious management system. Therefore, Treasure Hunter's business model is more close to the SoCal side. On the contrary, Brave Bison is more likely on the NoCal side because the company does not manage creators in its network, and the company's core resource is the data-driven expertise. Brave Bison's focus is more on targeting profitable clients rather than expanding their revenue sources.

MCNs are "in the vortex of the convergent innovation space between NoCal and SoCal" (Cunningham et al., 2016, p. 382). This convergent innovation is also the result of the dynamic contexts and their dynamic capabilities. According to Teece's definition, dynamic capabilities are "the company's ability to integrate, build, and reconfigure internal competencies to address changes in the business environment" (2018, p. 40). Recall the Sumpeter's theory of economic development, the innovation is the commercial application that forms new business models which require to combine several types of knowledge, capabilities, skills, and resources (Shumpeter, 2017; Fagerberg, 2004). Therefore, seizing and sensing technological opportunities, regulatory issues, and target market situations based on figure 10 can be the convergent innovation in the new screen ecology. Because the dynamic capabilities support a business model design, and the business model influences back to the dynamic capabilities (Teece, 2018). The three cases seem very aware of sensing the potential opportunities of the new technology. For instance, all of them utilize data that is derived from social media platforms to target the right audiences, and they look forward to seeing the high speed of 5G network, which will enable even more well-developed audience interaction in real-time at higher speed.

Besides, regarding the evolving AI technology and social media algorithms, the companies already had passed the 'transform' stage in the framework (figure 10) when they

adopted the new technique of branded-content. Also, this type of performances (including 5G network content strategy) is more like a 'sustaining innovation' or 'routine innovation' that utilize the company's existing technological competences with the existing business model. The regulation and market changes are the same. The European MCNs have already sensed the importance of personal data protection and try to find more transparent and trustworthy ways with social media platforms such as the disclosure paid partnerships. Also, in compliance with the strengthened taxation on YouTubers, United Screens and Treasure Hunter try to help their partners by sharing information and educational services. South Korea's governmental restriction is rather tricky than the other two regions because of their existing Internet censorship law. The movement to strengthen government regulation on social media content is such a negative sign for MCNs. Also, there is no effectiveness in practice because social media platforms have their own self-regulation, and such countries where they are not in their jurisdiction, it is difficult to execute governmental law. Therefore, the strict restriction on internet content is merely a regulation against the freedom of speech and inhibit the development of the MCN industry. In the U.S., the situation is almost the same. There has been a debate that which law should be applied to restrict the live-streaming content on social media. The Federal Communications Commission has examined whether the digital video format should be included in the MVPD (Multichannel Television in the United States) range, but there was only a discussion without any conclusion (KMCNA, 2019). Therefore, the Korean MCNs need to use this circumstance as an opportunity to spread out its educational roles in the industry and to improve media literacy in society.

On the other hand, while United Screens targets the local region, the other two companies target the global markets. According to Bouwman and MacInnes, "innovative products and services follow a life cycle from being new, through development and maturity, towards a phase where new generations of products and services bypass the matured innovation" (2006, p. 3). The three case companies are in the second phase that requires stable service concepts with incremental changes. Also, in the second phase, the regulation is the most important driving force because the product or service is started to comply regulation when they begin to roll-out. Moreover, the next step in the dynamic framework is passing the shift between the second and third phases. The second shift implies such activities that are from capturing markets to customer satisfaction. Therefore, targeting the right markets is vital in order to pass the second shift for the three companies. As addressed in the result analysis, there was a statistic that shows the media penetration in the world, and South Korea was ranked at

third, while Sweden is on the 10th, and the U.K. is on 18th, respectively (Appendix 2) Also, particularly, there was high social media penetration in the Asia region. Therefore, there are promising market opportunities in the APAC region, where two of the case companies target, and in order to achieve their customers' satisfaction, dealing with the relevant regulations is necessary to enter the market acceptance phase (figure 8).

Besides, Graig and Cunningham argued that there is a 'glocalization dynamic', particularly on YouTube. In the countries where there is 'location-based filtering', the content on social media need to adjust to accommodate governmental regulation. Therefore, some frictions challenge the global availability of social media in several countries. The established form of media globalization was across the borders with IP-controlled content, but YouTube could cover territories with 'partnership agreements'. However, for the countries where there is 'location-based filtering', the MCNs can take a new role in the new screen ecology by enhancing their capacities to produce and distribute their original IP content across the multiple platforms like the established media. Treasure Hunter is currently expanding its markets from South Asia to Middle East countries where there are more strict criteria for filtering. To respond to that, Treasure Hunter started their IP content service at an early stage. Also, China is one of the most profitable countries where YouTube is prohibited. This can be a great opportunity for both Treasure Hunter and Brave Bison. Because Brave Bison also target the APAC region, not currently China now, but utilizing its existing IP and licensing capacities, will be a promising strategy in the future.

As Storsul and Krumsvik addressed, most innovations in the media sector are 'incremental' or 'sustaining'. In this regard, all three companies have evolved by business model innovations continuously. United Screens has tried to construct the ethical working environment in the MCN industry with its premium brand-safety strategy. Also, the company has changed its organizational structure by acquisition and launching subsidiary with offices in Finland, Norway, and Denmark. On the other hand, Treasure Hunter has expanded its revenue streams through various business opportunities with its genre-specialized subsidiaries, while Brave Bison has successfully combined the new digital media services with the established media service attributes with its IP and license services. However, the business model innovation is in the continuum of its business cycle. Recall the diffusion of innovations theory by Roger; there are five different types of adopters. The innovators are the first to adopt a new innovation and the laggards are the last, with early adaptors, early majority and late majority

placed in between. "they are placed in a normal frequency distribution, the early majority and late majority are closest to the mean" (Rogers, 2003, p 280). However, Moore argued that there is a 'chasm' between the early adopters of the product and the early majority (1991). In the point of Moore's view, the early adopters are such technology enthusiasts and visionaries, while the early majority is the pragmatists, and because they have very different expectations, there is the chasm between the early adopters and early majority, and this is the most difficult transition (1999). Based on Moor's theory, the period that MCNs faced the backlash from creators was the 'chasm' on the way to the early majority, and the three MCNs are in the middle of the transition now. Therefore, in order to go through this transition successfully, continuous business model innovations by enhancing dynamic capabilities are such a crucial strategy for them in a long-term.

From the previous business model innovations, the three MCNs have specialties, which can be reasons for creators to join MCNs. To respond to the current challenges, such as adverse publicity caused by precarious management systems and limited business streams in the informalized industry, United Screens has focused on the education role, and this resulted in 'the high level of brand safety'. Meanwhile, Treasure Hunter has tried to expand its business streams with the 'commerce' services and 'global reach' opportunities with IP service. Also, United Screens has a 'music copyright' specialization with its subsidiary company, while Brave Bison has 'IP and license' service to across the borders. Those are specialties of joining MCNs because they are such burdens that a single creator cannot deal with. The other specialties are such as 'collaboration opportunities', especially on a global spectrum or with established broadcasters. In order to enhance these competitive advantages, NICE design themes can be used. The MCNs' services are required to have 'novelty', 'lock-in', 'complementarities', and 'efficiency'. Finding sustainable business models is about how MCNs facilitate the four design themes to apply to its inherent specialties by continuously developing, innovating, and discovering new offerings. Since MCN business is highly interdependent with other media players in the screen ecology, and affected by the dynamic regional contexts as revealed, rather than following the stereotypical strategies, it is more critical to keep researching the new opportunities with environmental driving forces and global tendencies.

Based on the discussions, there can be 4C roles for the MCN business models in its offering-based view. The 4C roles are, namely, 'communication', 'community', 'content', and 'commerce'. Firstly, the 'communication' role refers to the NoCal culture offerings, such as

channel management (Affiliated channels or Owned & Operated channels), ad sales, content programming, and data-driven audience development. In contrast, the 'community' role indicates SoCal culture offering, for instance, creator managements with off-line events or concerts, festivals, and educational service that entails personalized management, for instance, translation, subtitling, and arrange creator collaboration in a different region. On the other hand, the 'content' role involves all types of content production offerings. This role also implies the convergence of old and new media in terms of making original content with IP rights. There can also be, consulting content strategy as assistance with creating branded-content or a series of marketing campaigns in this role. Lastly, the 'commerce' role includes additional activities that generate a variety of revenue streams. For instance, merchandizing, commercializing, licensing and IP fees. The merchandizing is the promotion of goods or services that are available for retail sales while commercializing is helping partners launching their own brand in exchange for fees. The 4C roles can be a criterion to find the direction of MCN's strategy as noticing what is the deficient service as a channel network. Also, this kind of division in the media sector can provide a view to distinguish different types of channel networks.

This research has several limitations. Since there are only three cases, not many variations between the cases are revealed, and the other MCNs in different regions may have different findings. Also, since the financial information was confidential, there is no numerical analysis in this research. Therefore, there can be other research in the future with more numbers of MCNs in different regions to develop theoretical propositions with more detailed empirical data. Also, each value dimension can be subject to be a study topic solely in comparison because this research tried to combine with business perspectives; therefore, there can be another perspective that focuses on the narrow elements to compare how MCNs offerings differ from each other in details. The three MCNs, United Screens, Treasure Hunter, and Brave Bison, have innovated their business models through responding to the current challenges. However, the challenges still remain with not only promising opportunities but also some constraints and obstacles at the same time in the industry. Therefore, there should be continuous business model innovations to formalize the channel network industry following the development of digital marketing, diversification of platforms, and evolving media convergence in the new screen ecology environment.

5.2. Conclusion

This research began with a motivation to reveal the specialties of the multi-channel network (MCN). The MCN business model is controversial as a turbulent and precarious industry. After the collapse of MCN 1.0., the diversification of social media platforms resulted in various revenue streams. However, as one of the American giants terminated its business, people anticipate the demise of MCNs, and the business models require to seek more sustainable revenue streams in such a formalized system. Therefore, this research was designed to clarify the MCNs' roles in the media sector and to understand the different dynamics with real-world cases. The three companies were selected, United Screens, Treasure Hunter, and Brave Bison on a global spectrum. Four employees of the selected companies participated in a semi-structured interview. The data were analyzed in a qualitative method, from the business model and business model innovation perspectives with an Australian scholar, Stuart Cunningham's theoretical propositions. As a result, there are three main findings. First, the three MCNs have interdependencies with traditional media players such as talent agents and advertising agencies and established broadcasters in the way of collaboration, production, distribution, and creative management. However, they also evolved with the new digital technologies as a convergent space in the middle of the new screen ecology. Second, there are some external driving forces around the MCN industry as dynamic contexts, and the MCNs' strategies are affected by the environmental dynamics. As a result, some opportunities and challenges are revealed in technology, regulation, and market contexts. Lastly, this research attempted to define 4C roles of MCN business models, namely, communication, community, content, and commerce, with the reveal of specialties in the media industry. Therefore, this research explored how MCNs deal with the current challenges after MCN 1.0. with the theoretical framework. This research was a small step to formalize the industry, but other research may follow to shed more light on the new evolving business models in the digital media world.

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Appendix 1 Interview Guide and Questions

Interview Questions

Interview date: xxx

Interviewer: Annabel Yeseul Ha

Interviewee: xxx

This interview is for a comparative case study of Multi-Channel Networks business models in three different regions. Interview questions are designed based on the business model value dimensions and the dynamic context framework. This semi-structured interview is an open-ended interview that allows interviewees to answer freely to the given subject. This interview will be conducted for approximately 1 hour, and the conversation will be recorded by the iPhone, and this is only for acknowledging the company's business models. Due to the privacy concerns, your name and the entire conversation will not be published.

	Categories	Semi-Structured Interview Questions
1	Dynamic Context	What is the current dynamic context in the MCN industry? What are the new technological changes in the MCN industry? What are the regulatory constraints that OOO faced? What are the current market situations that OOO targets? How OOO's strategy react on the dynamic context?
2	Value Proposition	How does OOO position itself in the industry? What are the OOO's audience development strategy? How does OOO assist creator collaborations? How does OOO assist content production? How does OOO deal with digital rights issues? How does OOO conduct the process of sales?

		How does OOO assist merchandising?
		Are there any other services that OOO focuses on?
		Are there any specific categories (genre) that OOO specializes in?
3	**Value Network**	Who are the OOO's target customer segments?
		What are the relationships with the target customers?
		What is the number of influencers at this moment?
		What are the OOO's direct and indirect channels?
		Are there any conflicts that OOO has experienced with creators?
		What are the most crucial factors to manage creators or channels?
		Who are the company's competitors?
4	**Value Architecture**	What is the number of employees?
		How many departments does OOO have?
		What is the OOO's core competency to execute projects?
		Is there any partnership ongoing recently?
		How many subsidiary companies and branches does OOO has?
5	**Value Finance**	What are the OOOs primary revenue streams?
		What is the most crucial factor to sustain MCN business models in the media industry?

*OOO is the name of each company.

Appendix 2. Social Network Penetration Statistics

Active social network penetration in selected countries as of January 2019

Country	Share of internet users
UAE	99%
Taiwan	89%
South Korea	85%
Singapore	79%
Hong Kong	78%
Malaysia	78%
Argentina	76%
Thailand	74%
Australia	72%
Sweden	72%
New Zealand	71%
Denmark	71%
China	71%
Philippines	71%
United States	70%
Colombia	68%
Saudi Arabia	68%
UK	67%
Canada	67%
Mexico	67%
Ireland	66%
Brazil	66%
Portugal	65%
Belgium	65%
Netherlands	64%
Vietnam	64%
Turkey	63%
Japan	61%
Spain	60%
Italy	59%
France	58%
Indonesia	56%
Switzerland	51%
Austria	50%
Russia	49%
Poland	47%
Morocco	47%
Germany	46%
Global average	45%
Egypt	40%
South Africa	40%
India	23%
Ghana	19%
Kenya	16%
Nigeria	12%

Share of internet users