

The Digitalization – New Media in a New Economy

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Summary: Mankind is now in a process of transition from industrial society through informational one to a society of knowledge. In the course of this change the media and the Internet gain major significance. The new information and communication technologies allow the media corporations to offer new products and services and so to influence all the areas of social and public life, thus questioning some traditional structures. In this way not only the consumers are confronted with new offers and opportunities. The internet business and the media sector are also facing new challenges, because of certain transformations in the economic and market structures, as well as technologies and options used by the consumers.

From “New Media” to “New Economy”

The peculiarity of the economic approach to the study of mass media can hardly provoke any doubts. Nevertheless, it is not easy to define what exactly makes it different from the mass society approach, from the culturological school, from the pluralistic approach of the critical school. In other words, two new notions appear on the territory of the mass media and economy: “new Media” and “new economy”.

For now, there are three different opinions on the question, what is the subject of economic science. The first: it studies the distribution of goods to satisfy needs; the second: its subject is the market sector; and the third: it studies the distribution of limited resources to meet competitive needs. The three can be successfully applied to mass media.

New technologies are totally changing media forms and even the essence of media. From a passive mean of communication, they are turned into an active and independent factor of development of society. This predetermines their multiple definitions. It is not sufficient any more to call them “means of mass communication”, “the fourth power”, or “ideological apparatus”. All these definitions are unilateral – they only express one aspect of their essence. Media act at the same time as an economic enterprise, a communication intermediary, an advertisement channel, a cultural industry, and even a mean of social manipulation.

Media are an economic enterprise and, more precisely, an enterprise in the large capital sphere. Trends are observed towards concentration and centralization of media activity. They become a tool and a way to achieve the non-economic goals of capital. The media product is to a large extent a specific type of commodity, which is subject to different considerations compared to the traditional commodities. Its mission does not end with getting the money, on the contrary – it is where it begins. A basic principle of

media management is the strive towards commercialism. A distinctive class of media is being already formed – the one of paid media.

In the industrial society, where we used to live a few years ago, most people are involved in energy intensive processing of material production factors again into material goods, while today we live through accelerated development, in the centre of which is the computer. People communicate through computers plugged in the global web and make the connection “from point to point” at lighting speed. This changes the possibilities of communications, as well as the way, scope, and content of the business activity. The observed transition from industrial society towards a service society and the solution of problems, based on knowledge and intelligence requires new strategies, structures, and culture.

In 1993, the American theoretician on the management issues P. Drucker came to the conclusion that productivity of knowledge was increasingly a decisive factor for the

competitiveness of any economic activity, industrial branch or company. The Russian economist Kondratieff found that economic development of industrial countries could be described in periods from 40 to 60 years. These periods are determined basically by technological innovations similar to railway, electricity, or petroleum chemistry. Information technologies have provided a boost to the transition already started in the 1990s, designated as the “fifth Kondratieff cycle: industrial society becomes a knowledge and information society, the main factors of this cycle being Internet and media technologies” as shown in Figure 1.

Another Russian scientist, Nefiodov, in his reasoning on “long waves” makes a step further. According to him, the growth phase provoked in developed countries by information and communication technologies is already fading away. Thus, because of the high unemployment level, the developed countries must prepare for the “sixth Kondratieff wave”. According to him, the possible vectors of this wave can be “life enhancing sciences” like

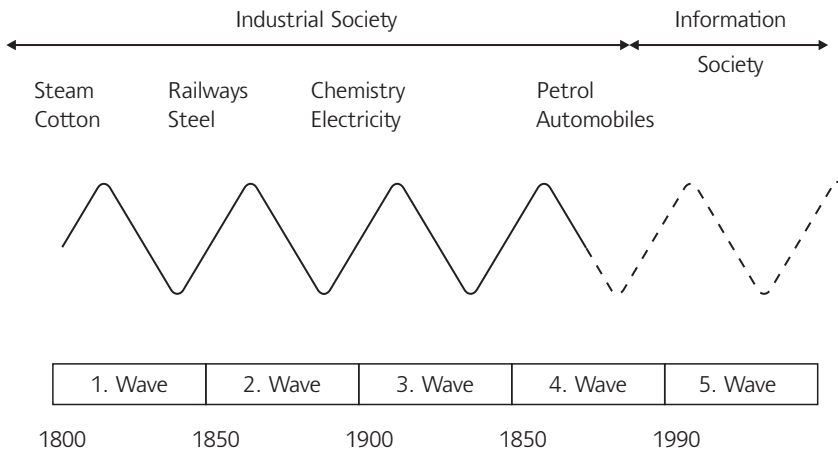


Figure 1. Kondratieff waves – development of the technological revolutions

ecology, biotechnology, optical technology (including solar energy), and health care.

Development and structures of the digital society

The increased importance of knowledge changes at the economic level the usual models of creation and exchange of value and provokes comprehensive change at the society level. Thus, the nascent society is a society enveloped in global networks, integrating itself in all areas, and including all players. Countries, companies, and people become part of the world wide interactive web, which is characterized by excessive mutual dependence: opportunities and threats for society and the economy of the individual countries are increasingly a result of mutual binding, i.e. of globalization. Because of mutual linkage of societies in a network, the opportunities and threats are growing equally fast on the planet no matter if this is about new trends, commodities, technologies, or about terrorism, computer viruses or exotic diseases. Decentralized technological or organization structures appear instead of the usual market ones. Centralized structures with central management, coordination, and control become decentralized units, which, once they start themselves doing management, coordination, and control, pursue a goal placed above all within the limits of a shared value system. The traditional strive towards property becomes a strive towards access to what the web can offer. The usual exchange of property between buyer and seller is replaced by the possibility to enter a network, where the interaction between the two takes place.

Spiritual capital becomes the main momentum of the knowledge society. Ideas, opinions, concepts become the main source of new value and wealth at the expense of material goods.

The question is not any more about exploitation and valorisation of underground resources or energy intensive transformation of material factors, but about valorisation of information or its transformation into knowledge and solution of the problem. The “hardware” society becomes a “software” one.

Another important trend in this network-enveloped digital society is the acceleration, observed most easily on 24-hour capital markets. The capacity to quickly find and develop something new is a most important characteristic. But just knowledge is not enough. It must be transformed according to the needs and the specific problem of the customer and to be made available to him/her. If until recently the innovation enterprises have – for some time and to a certain extent – succeeded in being “at the required level”, today’s technologies and goods are changing in the matter of minutes. The one who can master “the economy of speed” is the one, who succeeds.

What is specific about the digital society today? The computer and the World Wide Web – Internet – are in its centre. The computer is the main intermediary of media unification and TCP/IP provides the protocol to link the telephone and television into a network. Digital society is indeed a network society. People connect between themselves and with the organizations and institutions that are important for them (schools, doctors, hospitals, financial services, banks, etc.), and the organizations and institutions are also connected.

A person, who is communicating via multimedia, exchanges messages and opinions in the digital world, he/she is learning and teaching, is being entertained, offers something, buys and sells, pays, works, and makes deals, in sum, he/she lives in different way. The application of interactivity to education, the work environment, the medicine, or everyday life

brings to an end the uniformity and similarity of mass production and consumption in favour of diversity and decentralization of responsibilities. In addition, communications become more intense and international in the density of the World Wide Web.

An important part of this present and future development is "globalization". The idea reflects the intensification of global connections, and this has as a consequence the impact on local and remote events at the same time. Globalization goes together with building trans-frontier networks. It encompasses already not only the movement of commodities and capital, but also the exchange of information, skills and knowledge, and leads to global network production structures of the sort of "virtual enterprises" and "virtual networks generating new values". New economic consequences follow from these developments.

Economic basis of the digital society

The digital economy has introduced some new characteristics to the formulation and models of the traditional enterprise economy. Production of digital, non-material goods and services is a part of it, as well as the development of a comprehensive technological network and the advance of intellectual labour. The media industry with its classic digital, non-material goods is a precursor of this digital economy. On one hand, the particular characteristics of the digital economy define the limits of its development, on the other – they are a significant challenge to the industry itself. A winning strategy must be shaped within these limits or try to push them away. The choice of a strategy and its analysis in the present work is pursued on the basis of theoretical principles of the situation approach to the new enterprise economy.

The information revolution has invaded the whole economy and all spheres of social life. The impressive reduction of costs of receiving, processing, and transmission of information is changing business practice. The information revolution is changing the character of competition in the following ways:

- it changes the structure of industries and establishes new competition rules;
- it creates new competitive advantages, providing companies with opportunities of leaving their competitors behind in matters of productivity;
- It gives rise to new types of businesses, often directly on the basis of already existing processes.

Development of information and communication technologies

The development of information and communication technology (ICT) provokes considerable changes in our society. Five types of changes are under way: first, a technological (r)evolution is taking place with the appearance of the new products and services, which results in the convergence of industrial branches and the appearance of new industrial niches and, finally, it is possible to say that these different changes will influence to a high degree the state of the economy and production, and even more the life of citizens, most of all their relations with the administration or, in sum, they will influence the functioning of society.

Technological change

The development of computer technology has forced us to become accustomed to the constantly increasing capacities of information processing and the storage capacity, which has resulted in the

“democratization” of personal computers and “shrinking their size”.

The increase of the speed of data transmission in communication networks is a relatively new phenomenon, related to the appearance of a new transmission environment, including optical fibres, new transmission protocols and powerful compressing algorithms. The increased capacities of storage and transmission are supplemented by the coming out of new high speed transmission protocols (for example MPEG-2 – the European digital television standard) and powerful algorithms of moving images compression (for example ATM or radio frequency ISDN), which provides opportunities for multimedia development.

Today, technological advances in storage, processing, and transmission of information provide the opportunity for digitalization of animated images and their integration with data and sound into a sole multimedia information system. In this sense, the term “multimedia” means a combination of immobile and mobile pictures, sound, and data in a digital form, which makes the storage, copying, and transmission easier without quality deterioration. Indeed, the word “multimedia” is used at the same time for computers, programs (their content or their physical environment), high capacity networks, and even interactive services, transmitted by such networks. Usually, multimedia is described as “interactive” when consumption of these products and services allows greater interaction with the user compared to television, for example.

This kind of technological change leads to multiplication of networks, which allows access to new products and services.

- Internet is the largest service network including more than 500 millions of users

and connecting more than 250 millions of machines located in 149 countries all over the world. According to last estimates, the number of Internet users grows by two millions of persons per month. In the beginning, the Internet was connecting the computers of some administrations and leading research centres, but today it is a huge decentralized network, open to everyone and offering major services like electronic mail or easy access to data banks.

Business applications are developed for the world wide web through a new service called CommerceNet and supported by companies like Bank of America, Hewlett Packard, Apple and Lockheed.

The test model of the national information infrastructure (NIIT – National Information Infrastructure Testbed) was created as a part of the policy of the national information infrastructure by a consortium of companies including AT&T, Sprint, Digital, Sandia National Labs, Synoptics Communications, and Hewlett Packard with the purpose of organizing several market testing experiments of applications using NIT. The first project “Earth Data System (EDS)” is described in the following way: A multimedia applied program allowing users from different geographical points to work with large quantities of data on the environment and using large capacities as if they were sitting one next to the other. The information range of EDS includes satellite images of land and oceans, data, weather statistics, data about shores and rivers, levels of salinity, draught levels – all this data gathered from small and large units used by various public and private sources. In addition to the above mentioned networks, the presence of two other groups should be also indicated: **in the public sector** the National Research and Education Network characterized by 1.1. GB/sec of transmission capacity (the whole British Encyclopedia in one second) compared to the

Internet with 45Mb and **the different private networks** – where the growth of number of users is literally explosive.

New products

New multimedia products are already offered on the market. On a single compact disk, they can compress a whole encyclopedia in interactive form, games with complex graphics, or the digitalized version of a film with several subtitle versions.

CD and DVD became a standard for multimedia products because of their large capacities providing the opportunity to store more than 200,000 pages, several thousands of unmovable images or more than one hour compressed video material. Multimedia personal computers are the most widely used multimedia platforms. It should be noted that the first multimedia products or titles appearing on the market were well-designed video games, interactive encyclopedia (Microsoft “Encarta”, for example), or educational and cultural programs. The fast spreading of this type of products depends most of all on standardization of environments and platforms. Customers are already enjoying product compatibility and the editors of books, catalogues, games and education materials have radically transformed their activity towards these new aids whose production costs less than one euro per unit.

New services

One of the most intensively used network services just like Internet is the transmission of messages to other users in the network. The electronic mail service can be also used to send multimedia documents.

“Information banks” in the World Wide Web are already library routine to customers. Large quantities of regularly updated information

on different issues are stored in computer databases. It is possible to consult the databases from a personal computer linked to the relevant networks.

In addition to the already widespread services of access to electronic mail and data banks, new multimedia services use the enhanced capacity of transmission through the telecommunication networks (cable television networks or conventional networks) to be able to offer the customer interactive multimedia services through a television set equipped with an appropriate decoder (set-top box) in order for the customer to receive personalized (on demand) services like video materials or games, or a teleshopping catalogue, as well as for the storage of information within the framework of video conference services. Interactive multimedia services are one of multimedia products having a boom right now. New generation of multimedia services are at an experimental stage.

Industry branch changes

Today we expect convergence of industries, which up to now have followed a clear economic and regulatory logic. Thus, large supranational systems are being created in the domain of electronics and computers, related to it; the need of creation of content, i.e. attractive and diversified programs, used by these new media has resulted in awareness of the importance of information and images production; this explains the new alliances between technological industries and the press, video products, and cinema.

In the first place, we have to mention horizontal alliances, i.e. those between telecommunications and cable television signal providers, whose networks could start offering identical services after the liberalization of telecommunication services

since 2003. This also applies to mobile and cable telecommunication providers.

Vertical alliances are even more important, for example, the one between the cable television broadcasting company Viacom and Paramount, known in the press and the audio-visual world as a film studio and television programs producer. Later, Viacom acquired also Blockbuster – the biggest video games retailer. Other examples are the presently advancing alliances in the European Union between the Deutsche Bundespost and Bertelsmann in the case of M.S.G. Media Service; or M&A of U.S.West, branch of the American company Bell, of Wometco Cable and Georgia Cable – and the audio-visual productions company Time Warner, with the aim of developing a cable network with possibilities of interactive diffusion of audio-visual services and video games. The joint company between Sprint – an operator on the mobile communications market and EDS on the data processing market can be indicated as a last example.

Changes in society

The multiplication of the first teleprocessing, then the videotext, and now the multimedia services have influenced and will increasingly influence in the future the strategies, structures, and the production methods of producers and administration, will contribute to a more flexible organization of work (using teleprocessing, for example), and will support the development of new ways of distribution of labour between organizations.

We are already witnessing how the consumption habits of individual people are changing to a great extent, with respect to access to either computer, or entertainment, or economic services. It is about the possibility from a given workplace to send electronic messages, to have access to multiple media and television

programs, to reserve a table in a restaurant, to shop using TV catalogues, to perform bank transactions, to watch on screen through the treasuries of a foreign museum, to visit libraries, to sign documents, and to even vote.

The relationship between the citizen and the state can change, as a result. Internet access to different files or to the work of administrative departments (for payment of taxes and filling in/receiving administrative forms) increases the quality of services received during the everyday life of citizens.

In short, the development of information society puts at risk all types of relations between citizens and the quality of their life standard.

This gradual change requires political interference in order to create an information society respecting the interests and freedoms of every citizen.

In other words, technological progress per se will not bring about a more harmonious society in which individual freedoms can develop in the best way. It could favour the deconcentration of production capacities of enterprises but, irrespectively of the multiplication of accessible social programs; it can lead to cultural impoverishment because of the bad quality of the latter. It is possible to have as a result widening of the gap between those who have information and those who do not, creating in this way a two-layer information society.

The White Paper of the European Union on "Competitiveness and Employment, Challenges and Ways. Forward into the 21st Century." indicates that technical progress offers better opportunities for development and employment provided that we change the model of our development, i.e. more attention

is paid to human needs, engendered by those deep changes influencing social and family life, the model of consumption of goods, and the harmonious development of civilization in the conditions of big cities. In sum, the citizen and his/her freedoms must be placed in the centre of the information society.

Changes in media business

The new information technologies have the strongest and tangible impact on the development of media industry, in which the process of radical transformation is taking its course on a global scale.

The media industry is living through a change and facing big strategic challenges because of it. On the basis of technological development penetrating in-depth, new commodities, services and channels of distribution are created. Technological progress is expressed in the increase of the memory of electronic devices, in the improvement of data transmission using optical conductor, as well as the compression of data. Technologies allowing digital transmission of audio, data, and video signals on the unified world network are now most important for the media industry.

A consequence of the so called "technological convergence" (Konvergenz) is the washing away of border lines between industries. Media, communications, and computer technologies that were separate until recently come increasingly closer. The "industrial convergence" following from this process is expressed by the notions of "Comunications" (combination between Computer and Telecommunications) and "Telematik" (combination between Telecommunications and Informatik).

From the economic point of view, a transition is observed from industrial society through

information society towards knowledge society (the "fourth society"). Knowledge society is characterized by the change of input and output factors, as well as processes and infrastructures included between them for generation of new value. This means the management of "hard", physical resources is not decisive any more. The knowledge economy is more about management of almost weightless soft factors like information, knowledge, and intelligence. Information is knowledge. The success of an enterprise, an industry, or the economy as a whole is based on the productivity of knowledge, from there on the successful delivery, production, and distribution of the knowledge factor, as well as on its efficient application in the solution of customers' problems.

The "knowledge" factor is increasingly present not only as an input, but also as an output of the enterprise, i.e. at the market. Here belong, on one hand, the so called "embedded knowledge products" like software, CD, electronic games or Internet services. On the other hand, such products are also the classic consultancy and information services, which make the core of the knowledge economy for decades. Finally, it must be outlined that more and more classic services are offered in combination with information services and knowledge services (intelligent products).

Participants in the media industry are classical representatives of the knowledge economy. They are the highest consumers of all knowledge industries and information content for their magazines, television and Internet products. And their products (services) are adapted to the preferences of the target groups and producers of information and knowledge products. Thus, for the media industry the knowledge factor acquires the highest strategic importance in the chain of new value generation.

The central role of the media industry in the knowledge economy together with the corresponding technological development represents a threat and a great opportunity at the same time. Thus, the media industry is confronted with the same paradoxes which after the invasion of modern information and communication technologies in the economy determine the successful building of company strategies, organization structures and business processes.

From this point of view, an answer is sought to the question, which are the new conditions for development of the media industry and what kind of comprehension, approaches and strategies this industry is using to deal with challenges. The fact that potential buyers often have doubts to accept the diverse potential of new technologies and even reject them should be taken into account. In the media industry, however, it is necessary to quickly reach a critical mass and a positive network effect in order to offer the new technological standards at suitable prices.

From this point of view, we come to the conclusion that the key requirement to management in the knowledge economy is to solve new contradictions in a way to extract from these tensions benefits for society and profits, therefore.

Development of Terrestrial – Digital Audio and Video Broadcasting

The introduction of terrestrial digital audio broadcasting in European countries is related to massive changes in electronic communication systems. The development and implementation of terrestrial digital audio broadcasting in most European countries (as well as in the USA, Japan, Canada, Australia, etc.) has demonstrated unequivocally that

the Republic of Bulgaria also should direct its efforts towards accelerated implementation of digital technologies. The diffusion and reception in digital form of video and audio information, as well as data, opens the way to novel opportunities of receiving and using real-time information, including a wide spectrum of multimedia services, interactive forms, services on demand, Internet, etc. Adopting unified European standards of terrestrial digital audio broadcasting is the first step in this direction, which is, however, not sufficient for the solution of related problems. A gradual transition to terrestrial digital audio broadcasting should be analyzed taking into account many factors and should be adapted using the appropriate technological and technical solutions, including:

- the ways of transition to (Terrestrial Digital Audio Broadcasting) T-DAB and (Digital Video Broadcasting – Terrestrial) DVB-T by implementation of different scenarios and abiding to existing international agreements of frequency coordination – Wiesbaden 1995, Chester 1997 , Stockholm 1961 , Maastricht 2002;
- the available free frequency range;
- the need for considerable investments;
- the financial capacity of users and operators;
- the state and specific characteristics of the already built infrastructure;
- the goals of terrestrial digital audio broadcasting (increasing the number of programs, stationary, portable, and mobile reception, multimedia services, Internet access).

The frequency resource for Terrestrial – Digital Audio Broadcasting (T-DAB), has been allocated by the conferences, which took place in Wiesbaden in 1995 and in Maastricht in 2002 and is approved by the countries-members of the Conference Europeenne des

Postes et Telecommunications (CEPT). This conference defined the frequency blocks, the planning methods, the ways of coordination with neighbouring countries, and the use of different types of software for planning and coordination.

In the National plan of the distribution of radio frequencies and radio frequency bands for civil purposes, for the purpose of defence and security, as well as for shared use between the two, the frequency range for digital audio broadcasting is defined within 174 – 230 MHz. The national plan for the frequency range 174 – 230 MHz will also be harmonized soon for the future introduction of T-DAB. In the Republic of Bulgaria, 14 frequency bands are up to now allocated to T-DAB within the L-band (1452 – 1479.5 MHz), being approved by the countries-members of CEPT and coordination with neighbouring countries is forthcoming, while 5 frequency bands are defined in the 174 – 230 MHz range.

A national plan of terrestrial digital radio broadcasting by points of emission and by territory is to be prepared according to the block distribution by the Wiesbaden conference and the technical parameters of planning are to be adopted by Mainz conference (planned to take place in 2003). The preparation of the plan will create conditions for practical implementation of digital radio.

The frequency resource for video audio broadcasting – terrestrial (DVB-T) has been allocated at a conference, which took place in Chester in 1997, and this was approved by CEPT countries. This conference defined the frequency blocks, the planning methods, the ways of coordination with neighbouring countries, and the use of different types of software for planning (Cocot) and coordination.

A tender for video audio broadcasting – terrestrial DVB-T has been carried out for the region of Sofia in 2001. The frequency ranges for terrestrial television broadcasting are determined in the National Plan for distribution of radio frequencies a radio frequency bands. The available frequency resource for the digital network of terrestrial television broadcasting is limited. The frequency television channels from 61 to 69 (790 – 862 MHz) used until now for the needs of defence and security have to be made available for terrestrial digital television. The introduction of digital television should be carried out gradually and in the beginning the same analogous and digital programs will be broadcasted in parallel, with the trend – in accordance with the economic status of customers – to move to totally digital programs (when at least 75 % of subscribers receive digital broadcasting).

The great variety of issues related to this goal is expected to lead to the future solution of the following main tasks:

- Studying the technological and economic characteristics of Internet economy – the basis of the media industry and its digitalization.
- Analyzing the strategic management of the digital media economy and transformation of the established approaches for the needs of digital economy.
- Clarifying the essence and content characteristic of convergence (rapprochement) as a new approach to strategic management in the digital age and providing arguments for the need of development of value-generating multimedia networks oriented towards the customer.
- Studying the applied models of convergence in the media industry, based on main skills (key competences)
- Studying the interrelationships between the models of E-, M-, and T- economies

and the advantages of developing unified "consumption" of media products

Technologies and markets toward integration

Modern society of advanced information technologies and communications is changing the paradigms of economic relations in the direction of unification of interests and achievement of mutual benefits with customers. The role of the media industry is especially positive and with almost unlimited possibilities of development as it masters tools for flexible and targeted consumption of information products that are sensitive to customers' auditory. The media industry is still to demonstrate its true potential for global integration technologic solutions in the broad sense of the word in the process of its transformation from an information intermediary to an economic information agent. This predetermines the necessity of defining and implementing the new spheres of expression in technologies and products strategically oriented towards a new competitive approach in order to receive a synergic effect for the companies and in society's best interest.

The implementation of the business models of media enterprise in the digital economy, i.e. the successful development of digital consumption, presupposes the successful combination of own skills, market convergence and cooperation.

The convergence of consumer domains is a result of the irreversible junction of media, communications, and informatics. The goal is to create additional consumer utility by offering content and services through different mobile and immobile intermediaries and final receivers. The multimedia

combinations of information, entertainment, communications and education become technologically feasible using broadband digital intermediaries like TV cables, UMTS and DSL. The big challenge for the enterprises of the media industry is to create economic preconditions for unfolding the potential of digital media markets for larger auditory of users. Successful development presupposes consistent concentration on the main activity together with flexible collaboration with partners to generate new value.

Thus, the development of the T-economy will become possible only after the film world, which is passive for consumers, and the active world of Internet come closer and a successful cooperation between network operators and program providers takes place. The same can be foreseen for the M-economy. The new UMTS technology will not impose itself successfully on the market until the corresponding applications are available, providing to customers tangible new value on the basis of successful unification of telephony with attractive services and applications.

Here lies the main problem of the convergent media markets: contents are expensive, and their adaptation to a certain channel is even more expensive. Cooperation is needed again to overcome this problem. Scale effects and price advantages can be achieved through cooperation in purchasing to provide attractive content. Also, it is not important in the beginning whether the allying enterprises can turn at the end of the day to be competitors at the given market /horizontal cooperation/.

The convergence of technologies and markets requires from the media industry to develop competitive advantages due to cooperation and development of basic skills. The encouraging models of the digital economy can be activated through collaboration skills both inside within

the frontiers of the specific industry and outside these limits. The concretisation of models is expressed in the development of digital consumption through strategies of rivalry and collaboration, in the distribution of information using different channels and fields, in the consistent use of standardized technologies (Internet, broadband), as well as in the implementation and use of network effects.

This will have visible consequences for media enterprises. The model of creating huge media corporations looking for convergence and in order to gain command of the digital consumer domains does not seem to work. Such corporations are too complex and clumsy while the dynamic media industry requires speed, flexibility and adaptability. Therefore, the main strategic challenge for the media industry in the future will be the management of cooperation. Similarly to logic of new value generation in the automotive industry, it will not be the separate media enterprises, which will compete between themselves, but different media networks for new value creation. Only those enterprises will be successful, which are interconnected within efficient innovation and creative partnership networks. The greatest challenge for the media industry, however, will

be the human factor. Creation and promotion of multimedia content and services is, after all, always the result of creative individual achievement. For that reason, economically sound and technologically backed management concepts of constructing digital consumption should always include the necessary creative freedom of people responsible for the content and services, so that the latter would be able to use it to create high quality products.

Nowadays the media industry in Bulgaria is exposed to a number of changes ranging from requirements of new technologies to new developments in goods and services, deep structural changes in the industry and penetration of new participants.

It seems that there is already a tradition for the processes in Bulgarian media environment to develop faster than their legal regulation. Since the country has been accepted as a full member of the European Union, a more far-fetched behaviour is now possible so that the legislation can build the highways for the processes of concentration and digitalization that have already started to develop. A delay would not be favourable for the pluralistic media environment and, therefore, for democracy. **VIA**