## THE WAR CONTINUES: CONTENT, NETWORKS AND INFORMATION TECHNOLOGIES AND THEIR CONVERGENCE

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The war between the telecommunications sector, the media and information technologies, "almost a hundred years old", continue to give sequels worthy of debate. And it all started when the markets began to nibble each other in what began to be called convergence. Who will win the battle?

The contents have no value without networks that take them to their consumers (readers, viewers or radio listeners...), nor do the networks mean anything without content with which to fill them. And Information Technologies also play a part in all of this: the true tools that allow content to be transformed and managed through networks.

In recent months, important news has appeared about the well-worn net neutrality debate with the <u>joint announcement by Verizon and Google</u> that opens the door to a possible preferential traffic from Verizon to Google. Here in Spain, the unfortunate ones were also sounded <u>statements by the president of Telefónica</u>, <u>Césa Alierta</u>, threatening changes in the way Internet services are provided.

Shortly after, the debate of the <u>Internet broadband flat rate</u> and how this could soon be stopped <u>"so wide"</u>. A few weeks ago, <u>it was the European Commission</u> that denied the legality of the fees charged to telecommunications companies to finance public TV. And just a few days ago, El País echoed the growing trend of using Skype to make calls through the mobile.

The audiovisual and telecommunications sectors continue to converge along with the Information Technology sector. This is nothing new and in this convergence a constant change in the rules of the game is taking place. If on the one hand it seems evident that **Telcos must seek a more relevant role in this new scenario, one that moves them away from being a mere intermediary in infrastructures**, it is also true that while some content providers grow and grow-such as Google- others fail to find their business model: Many media on the Internet suffer or disappear.

Who is winning the battle? It seems that they are neither the content generators nor the networks. Will the intermediaries, the information brokers, be the winners? Those who know how to manage, transform, offer and display the information that users want, how and when they want? In this category we could undoubtedly include search engines (Google, Yahoo, Bing, etc), social networks (Facebook, Tuenti, Twitter, etc), geopositioning services (Google Maps, ..); Indeed, many of them may be winning the battle for now.

Surely, those who stay behind and try to protect themselves from this convergence by imposing barriers and limitations on innovation will only be delaying their agony. For this reason, I don't think that operators like Telefónica, Verizon, AOL... should start to stop traffic to certain services by limiting the so-called net neutrality. Not because this is illegal -if there is real competition in the market, it does not have to be- but because this will affect the quality of the service to its users and, in the long term, could decrease its power to retain users and, consequently, part of your competitive advantage. What they should do is generate more and better services.

In the case of IP telephony and systems such as Skype, Telefónica and other operators could well limit, or even deny, access to these applications. **However, your best bet will be to create services that far outperform these competitors**. It seems that Telefónica already knows the lesson very well and has stood up to Skype through its Jajah platform that allows calls to be made through Facebook.

The content industry must also know how to generate new and interesting applications that

exploit convergence and the growing possibilities of IT. Regarding the media, trends suggest that they should know how to exploit more other avenues of income that exploit your brand (through events, associated products or other services), your audience strong> (through sponsors, affiliation and advertising) and its content (through syndication, the publication of specialized monographs and through the subscription model). It is not true that the content has lost its value, but it is true that its value is no longer monetized by conventional means.

In the coming months the war between content, networks and "IT intermediaries" will continue unabated. Each battle will probably have a winner who will undoubtedly be the one who has invested the most resources in R&D and innovation and, consequently, can offer the user better and more innovative services.

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