

Media

Risks 2018

Emergence of fast evolving digital technologies, increased regulatory pressure and global economic uncertainty are key factors in the current risks landscape. KPMG Risk Consulting assists clients to develop robust risk mitigation methods by interpreting the underlying drivers of global risks.

Global

2018



- Innovations of **social and digital media** impacting traditional broadcast and print media
- **Significant international operations** leading to risks due to non-compliance with various regulations, economical and political developments, discriminatory fiscal policies etc.

- Potential health risks posed by radio waves coming from networks, mobile phones or Wi-Fi terminals

- Risk of **loss of key personnel** or popular on-air/ creative talent
- **Labor disputes**, whether involving employees or organisations, could disrupt the business

- **Risk to reputation/brand** as a result of negative assessment or comments from stakeholders

- **Risk arising from shifts in consumer media consumption** and new models of product/service delivery
- **Risk of low public acceptance** of new media content due to fast changing consumer taste and difficulty in predicting content popularity
- **Macroeconomic uncertainty** from factors such as the UK's vote to leave the EU (Brexit) and weak global economic conditions
- **Competition from non-traditional internet players, like Hulu, Amazon, Google and Netflix**, offering diverse and cheaper streaming alternatives
- **Intense globalized competition** due to creation of fewer but stronger competitors through consolidation in the industry
- Risk associated with **piracy and counterfeiting** severely impacting profitability

- **Increasing reliance** on intellectual property and other proprietary rights, including programming content
- **Legal/ Regulatory risks** as a result of change in communications laws or other regulations

- **Heavy reliance on a single supplier** for sourcing most of the components, parts and systems, which has increased the concentration of risk
- **Risk associated with inability to renew programming rights** and failure to secure significant content right

- Increasing risk of **cyber-security breaches**
- **Rapidly changing technology** may limit the competitiveness of and demand for existing services
- **Risk of technical failure** due to destruction of satellites, transmitter facilities, and network & information systems

- **Risk of loss or uncertain advertising revenue** due to evolving digital advertising methods and changing advertising markets
- **The risk of adverse movements** in interest rates, exchange rates and stock prices
- **Increasing programming and content costs**



Legend
 Emerging Risk
 Existing Risk
 Retiring Risk