

# Do digital business models **foster innovation?**

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# WHICH COMPANIES? WHAT BUSINESS MODEL?

- Markets are global – not local
- Technology is putting the



Service – often **FREE**

- Digital productivity is the key
- *There are no entry or exit barriers on the new markets*





- Telecom operators **will lose c. \$386 billion** between 2012-2018 to Internet-based services (Ovum (2012))
- Innovative companies grow like mushroom – mostly in US
- These companies increase revenues every year
- They are good at exploiting centrally funded research and innovation programs
- IB-s accumulate cash
- Giants, start-ups *continuously innovate*

# Innovation and companies



How do companies innovate?

- **Theory**
  - *SME*
  - *Large firm*
- Innovative companies are **PROACTIVE**
- Digital monopolies obtain innovation by *acquisition*
- *The real question: Does everyone have to innovate?*

# What are the particularities of digital innovation in Europe?



## *US-approach*

- US agencies drive innovation (Apple, DARPA, touchscreen)
- **Digital productivity policy**
- Proactive approach
- **Innovation hubs**
- Financial incentives (tax, basic support)

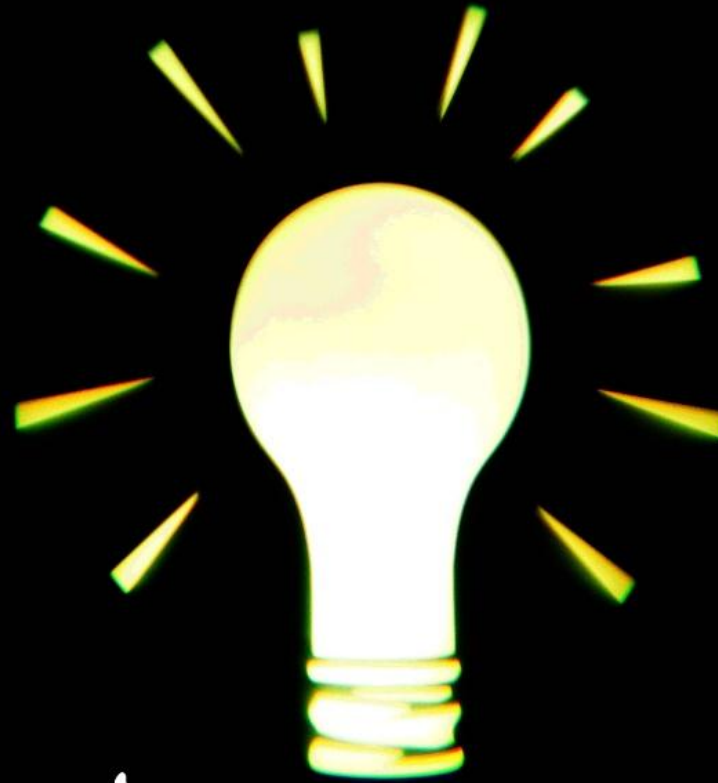
## EU Companies and consumers

- Language barriers
- High level of Digital illiteracy
- Slow reaction to change (Hyves (NL), iWiW (HU))

# What role for EU agencies?



Think Like an



Entrepreneur