Chapter 2
Small, Middle, Test: Rescaling Peripheral Media Markets

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2.1 Introduction

This chapter considers how best to characterize the effect of the presence of global streaming video on demand (VOD) platforms within different national contexts. It contributes to recent work considering the impact of new screen technologies on what Amanda Lotz calls "the twenty-first century television distribution ecosystem" (Lotz 2018: 491). Of particular interest here is how these kinds of questions about the dynamics between the national and the global are understood within those nations that have historically been understood as "small" or "peripheral" markets for media-related products. Using Canada's historical experience with broadcasting and the relationship between successive governments and foreign-based SVOD services as a case study, I want to suggest that this exercise is helpful for thinking about the concepts we have used to study media industrial activity and the ways digital technologies have either altered those conceptions or forced researchers to consider the value of new, more appropriate terms.

A prominent figure in my discussion is Netflix, the global streaming platform. Canada was the first country chosen by Netflix to explore its international ambitions, in 2010, and it was the first in which consumers received content as a streaming service separate from the company's former status as a mail order DVD rental operation. Its arrival prompted a swift response; the company secured one million subscribers in the first six months, and it was claiming between 30 and 40% of downstream traffic in peak viewing hours. A recent study published by a group representing Canada's independent production sector claimed that Netflix accounted for 31% of all on-demand services (including SVOD, PPV and VOD) and 65% of SVOD services. Netflix revenue in Canada for 2016 was $709 million, which represented a 28% increase from $553 million the year before (Pinto 2018). These figures easily situate

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Netflix atop a group of over 20 different "over-the-top" streaming services that have largely saturated the Canadian market for streaming services.[1]

Netflix's penetration into the Canadian market was a powerful challenge to a highly concentrated media landscape that had been dominated by a handful of large vertically integrated firms that were subjected to extensive regulation, from content quotas and foreign ownership restrictions to direct contributions to funds supporting independent media production that had characterized the Canadian audiovisual sector for the better part of five decades. In spite of this, Netflix has received a very light regulatory touch to date, prompting some anxiety among industry players who feel that they are now operating on an uneven playing field.

To consider the situation with Netflix in the Canadian context, I begin with a brief methodological reflection. I suggest that while discussions of media-related markets are a way toward understanding cultural production within different contexts, but they are also an invitation to consider questions associated with scale and about the ways that scholars "size" the industrial objects under study. I do so to consider the relationship between the terms we use to characterize industrial activity and the language we use to explain that activity associated with value. From there, I illustrate some ways that Canada has been understood as a "small" market for media as part of a larger policy imagination that has seen Canada's cultural production as weak or at risk of extinction. Such characterizations have privileged particular measurements of media-related activity, and they have determined the shape of discursive frameworks around various cultural policy measures for nearly a hundred years. While the Canadian case has its own specificities, I want to suggest such that characterizations can be found more broadly in "small nation" media research in other countries as well, with similar effects.

As a counterweight to smallness, I wish to advance two other concepts that might be better both for conceptualizing the historical development of Canada's media marketplace and for appreciating how that marketplace has been transformed by the arrival of digital technologies. The first—a notion of "middle" markets—combines sociological work by Diana Crane with research drawn from cultural theory and cultural studies that encourages thinking of media production in terms of circulation and distribution. This allows for a subtler appreciation of certain characteristics of Canada's media sector—particularly television—that rhetorical language of "big" and "small" fails to take into account. The notion of the "test market" will be the second concept under analysis here. With test markets, one can see how nations— or regions or cities within nations—serve different purposes within global media systems. If thinking of media markets as big or small encourages relational and defensive thinking and leads toward questions of sovereignty and protection, and if

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[1]These statistics and other information are derived from a research dossier on streaming television services written with Charles Acland for the Global Internet TV Consortium, a network of media study scholars contributing country-based dossiers on the effect of SVOD services on local, regional and national markets. See Acland and Wagman (2019). Special thanks to Smriti Bansal for research assistance.

considering media markets as "middles" encourages ideas of circulation and broker-age, then understanding media markets as testing grounds can encourage ideas of experimentation and adaptation.

In advocating a number of alternative terms for appreciating media industrial activity, I do not wish to dispose with characterizations such as "small" and "periph-eral" to talk about media activity within different contexts, and this chapter is far from a considered attempt to engage more seriously with the conceptualizations of markets within political economic treatments of media.[2] Instead, it aims to encour-age the elaboration of a more refined set of methodological terms to more effectively analyze the positioning of media-related markets in digital environments. I conclude by arguing for a turn away from "scalar narratives," in Swyngedouw's (1997: 140) terms that emphasize size and a turn toward those narratives that characterize media markets in more structural terms to better describe media environments that are sub-jected to global flows of culture and which are shuffled and repositioned by different digital actors and then served to users through algorithmically determined delivery of media texts.

2.2 Scale, Markets and Value

An important theme in this chapter is a methodological concern with the role played by *scale* in our study of media industries. In one sense, we can say that scale is a useful point of emphasis because it draws attention to the interaction between peo-ple, media technologies and place, raising questions about how academics draw the boundaries around the concepts that they use (McCarthy 2006: 25). In addition to this conceptual component, we can also say that such terminological determinations have a powerful *narrative* effect, something that Swyngedouw (1997: 139) characterizes as "providing the metaphors for the construction of 'explanatory discourses'." This points us to the question of the stakes involved in naming. Do we say that a media market is small to draw attention to issues having to do with threats, with concerns about influence from outside forces, or to advocate for increased state involvement? Or do we focus on the ways that people build alliances or work with larger forces to ensure survival? From the same label, we can see very different sets of meanings.

Scholars interested in the study of media industries are no doubt familiar with the impact of these terms on the way their work is framed and on the stories they tell about the subjects they are discussing. They are also familiar with the ways ideas of scale—economies of scale or the "scaling up" of digital media operations—point us to questions about the effects of mass production, the conditions under which things like films and television show are produced and the issues of the expansion of media companies beyond national or regional boundaries. Such notions of scale

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[2]This is to say nothing of the work outlining the characteristics of cultural commodities as forms, as products from specific types of labor employing a number of different approaches. For example, see Miège and Garnham (1979, 1997), Lash and Lury (2007), Banks (2007) and Cohen (2016).

are essential to the study of media industries more broadly, and they sit underneath our consideration of how digital technologies reshape the ways those media products circulate across both physical and virtual spaces. More broadly, they also contribute to theories of world systems, of the relations between centers and peripheries that are common in geopolitical discussions and, more recently, within the recent literature accounting for processes of economic and cultural globalization (cf. Hannerz 1991). They are, in that sense, a window into accounting for media power in Freedman's (2014: 3) sense, as "a relationship between different interests engaged in struggles for a range of objectives that include legitimation, influence, control, status, and increasingly, profit."

An ideal place to appreciate the complexities and consequences of scale in media industry research would be to consider the ways we study and describe systems of exchange for media-related products and services, and the rules that govern them, the most obvious of which is that of the "market." As Kari Karppinen and Hallvard Moe point out, while used in a number of different contexts, scholars spend little time characterizing the scale or dimensions of the markets they study. Two common conceptions that frequently are used are an *empirical* understanding that equates the market as a concrete, observable institution and a *normative* orientation that considers the market as a "logic" for comprehending different social phenomena (Karppinen and Moe 2014: 328).

We might combine this consideration of "the market" with our earlier discussion of narrative to conclude that either of these two connotations is linked inextricably to conceptions of value; the way they are used is often connected to how we understand the relationship between forms of cultural production and larger economic frameworks. If value is constructed relationally, between an object and aspects of the production process, as Bolin (2011, 2012) has suggested, then we might say that normative understandings of markets for media usually come in different forms. While one of the more common is by thinking of markets as existing within the boundaries of nation states, we often adopt a normative view of markets whereby they are understood in relation to publicly funded or state-funded media organizations or regulatory systems. Such conceptions largely determine how we understand a market's analytical function in the study of media industries.

It is because of the tremendous ontological and narrative power of those conceptualizations that we must be attentive to the various attempts—and narrative techniques—that have been used to construct media markets. Those techniques often emerge when specific *data about markets* come to be understood against the backdrop of broader *ideas about markets*. Such issues are particularly important when studying markets within media industries that have typically been considered "small" or "peripheral," as each of these terms carries important connotations of how markets should be understood within global economic systems and within media-related systems of exchange. To illustrate the conceptual and narrative consequences of scaling media markets, the remainder of this chapter considers a few characterizations of media markets in Canada to show how those characterizations have determined both the ways the industries have been structured and the analytical tendencies that have emerged through those characterizations.

2.3   (Relatively) Small Media Markets

One place to consider the methodological issues associated with "sizing up" media markets is to turn to the literature that is concerned with media-related activity in small nations. Such work has been valuable for understanding the specific challenges that forms of media and cultural production take in settings with populations or media sectors which pale in comparison with larger states, and the power relations between different states in spheres of global media production. For our purposes, however, the literature is also instructive as representing attempts at differentiation and measurement, when it comes to media industries, and about the choices that people make to differentiate one country from another as a way to understand the media activity taking place within their borders.

In some cases, the characteristics are implied; in a recent article, McIlroy et al. (2018) review the production environments in three contexts (Denmark, Ireland and Wales), noting the importance of relationship-building—especially among public service broadcasters, with larger nations and broadcasters, and assertive policymaking, as essential components of the nations under their review. However, that characterization encourages us to consider what levels of activity distinguish small nations from big ones. Others perform more active definitional work. Drawing on distinctions derived from political science and international relations, Manuel Puppis placed countries with a minimum population of 100,000 and a maximum of 18 million people (ranging from the Netherlands to Mali) into the "small state" category (Puppis 2009). In Mette Hjort's analysis of cinema in small states (Hjort 2011), gross domestic product is one of the key determinative measures, along with population size and a history of rule by non-co-nationals. Other descriptions of small media markets refer to their organizational and bureaucratic characteristics, such as the presence of smaller groups of social elites, whose primary role is to facilitate forms of consensus or collaboration among different stakeholders to bring about specific results (Jones 2004; Boucher and Watson 2017).

While such measures are not intended to advance objective measurements of smallness, they serve as invitations to reflect on methodologies of measurement and their relation to different media forms. Outside of filmic activity, it may also be the case that thinking in terms of GDP is based on assumptions about media as commodity forms that may not be viable in all cases, whether it is appropriate for accounting for the presence of "free culture" that exists online (Watanabe et al. 2018). It also invites us to consider a range of other possible choices we could make in generating a series of claims about media markets that equates size with value. For example, we could follow Keane's (2006) perceptive observation about how such characterizations failed to grant agency to those "peripheral" nations, and are unable to account for the varying levels in which their participation in global media markets was more active and cooperative than originally understood, or failed to account for the power of diasporic communities operating within those marketplaces. We could continue down this road of pointing to the ways that nations that might be "small" in some senses are "big" in others, just as we do when we look with amazement at the

success at "tiny" countries like Norway in the biathlon during the Winter Olympics. In that sense, we could point to cases like Luxembourg or Monaco in the fields of broadcasting, as countries whose proximity to larger nations and high concentrations of wealth afford them a level of power among nations and a level of strength within their own borders in ways that "small" seems unable to account for.

Moreover, we could take note of the more positive associations with smallness— like that offered by Newbigin (2014) that small nations are actually ideal for contributing to new media economies through the lowered barriers to entry offered by online forms of communication and participation—as reflections of a more assertive attempt to think about the relationships among different nations in global media systems. Finally, a turn to the small is also useful for showing mixed populations within national contexts, such as the Flemish in Belgium or Catalonians in Spain, and the presence of diasporic communities located in a number of different locales. In any of these cases, one can see what happens when the analyst compares nations to each other and signals what kinds of size matter more than others.

Canada is a particularly interesting country for thinking about how markets for media products can have "sizable" characteristics and how notions of smallness are understood in relative terms. This is because a country that occupies one of the world's largest landmasses has historically suffered from anxieties associated with the size of its population and its proximity to the USA. Those anxieties have routinely been expressed in the rationales for government cultural policy measures from the early 1920s until well into the 1980s. Central to those discourses were powerful themes of protection on the grounds of cultural nationalism; Canada's proximity to the USA and its comparatively small and dispersed population were reasons for ambitious attempts at state involvement in cultural production to ensure sovereignty over communication in the national interest and to resist forces of imperialism from the south. This sentiment has been fueled in large part by situations where US media industries have considered Canada to be an extension of their territorial market in calculating revenues or in negotiating distribution rights.[3]

With smallness understood in relative terms and seen through a lens associated with cultural sovereignty, a series of policies were implemented across Canada's cultural sector. These included the nationalization of radio broadcasting from the 1930s to the 1960s and a broadcasting system featuring private and public entities working together to support production, distribution and exhibition of films, television programs and music. This was achieved through a range of policy instruments that were deployed starting in the 1970s and include: direct subsidies to funds supporting film and television production, content quotas on radio and television to ensure "Canadian content" on programming schedules, restrictions on the foreign ownership of television broadcasters and rules allowing Canadian broadcasters the rights

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[3]Canada is certainly not alone with this development. Ramon Lobato recently observed that the incredibly large catalogues of Netflix offerings in "small" countries such as Guadeloupe and Martinique likely result from the fact that many Caribbean countries were lumped together with the USA when rights deals were negotiated (Lobato 2017: 246). Such tendencies are also present in other media sectors, such as those which lump together Europe, the Middle East and Africa for video game coding (Kerr 2014).

to simulcast television programs airing on US networks while substituting Canadian commercials. A recognition that competing with American film companies and television networks was a useless enterprise encouraged policymakers to develop policies that encouraged participation in what were once peripheral areas of cultural production, such as documentaries, animation, sports coverage and art house films. Policies to protect French language cultural production and measures to encourage the development of media outlets reflecting Canada's ethnic and cultural diversity and to serve Canada's indigenous communities were also undertaken (Roth 2005; Hayward 2019). These moves offered up a vision of "Canadian broadcasting" that was more reflective of different communities within the country, and further elaborated the contours of Canada's marketplace for media and cultural products under regimes of relative smallness on the one hand and cultural diversity on the other.

Over the last two decades, the overall orientation toward cultural production has articulated a different position, one that sees Canadian media production as a significant player in global systems of exchange. As Zoe Druick maintains, these moves are part of an attempt to situate Canadian cultural production more firmly under the rubric of creative and cultural industry logics (Druick 2012). The content regulations that were established for television and radio stimulated the development of an independent production sector which produced some highly marketable talent across genres, most notably in music, as well as encouraging active participation in different market sectors, such as the international television format trade and the global location market. Prior supports for the protection of territorial rights and intellectual property regimes, and restrictions on foreign ownership encouraged the development of powerful media corporations, companies whose holdings now extend across media platforms and from telecommunications into broadcasting, radio and television programs, and online presences. While by no means addressing all of the concerns justifying the existence of aggressive policy intervention in the cultural field, such measures, along with the development of the lucrative market for cellular phones and online communication, have had the effect of making Canada's media marketplace far less "small" than it may have once appeared in its rhetorical constructions. In fact, as Dwayne Winseck has pointed out, Canada's media economy now ranks eighth in the world overall. This places it within an ecosystem similar to that of countries like South Korea, Italy and Spain rather than where it is occasionally placed, such as with Belgium (Winseck 2012: 153).

It is into this context that Netflix and other "digital intermediaries," in Nielsen and Ganter's (2018) terms, enter the scene. Unlike many foreign media companies who have attempted to break into Canada's media marketplace over the course of the last 100 years, the presence of the big online platforms has been largely obstacle-free. To date, virtually none of the rules that apply to Canada's domestic media industries have been extended to Netflix. In part, this is a self-inflicted wound; Canada's broadcasting regulator determined many years ago that it would not regulate the Internet in the same way it had more traditional broadcasting technologies. Under what is known as the Digital Media Exemption Order, Internet-based video services (including SVODs like Netflix; AVODs like YouTube; and TVODs like iTunes) are not required to contribute a portion of their revenues to the creation of Canadian content. This has had

the effect of such platforms being considered as complementary pieces to Canada's media environment at the time when they consolidated their business positions within that environment. As a result, there are no formal requirements that force Netflix to submit audience or subscriber data, or to appear before Canada's public broadcaster for questioning, and there are no content quotas on Netflix's service. Until recently, the company was under no obligation to contribute to funds supporting Canadian television and film production—a condition for receiving a broadcasting license in Canada. While there are occasional threats that the digital platforms will be brought into line, in reality there has been a surprising absence of political will from both of Canada's main political parties to upset the company or its subscribers through the application of regulations.

Some recent developments point to further changes coming in relations between Canada and global streaming platforms like Netflix. In one development, two Canadian provinces—Quebec and Saskatchewan—forced the company to charge goods and services taxes to subscribers based in the province, in the interest of leveling the field versus competing services (Curry 2019). In another, the company pledged to invest $500 million over the next five years on production in Canada. However, the announcement was met with considerable resistance, as there were virtually no reporting or oversight conditions attached to this commitment. Shortly after announcing that investment in the Canadian media industries as part of a deal with the federal government, the company hired an official from the organization traditionally tasked with sponsoring film and television production with funds derived from traditional broadcasters to serve as its director of public policy. Unions representing Canada's actors and media industries have called for content quotas to be applied to the service as are now in place in the European Union to increase the prominence of Canadian-based works on the platform.

Starting from this last point and moving backward, there are a few conclusions we could draw by considering these developments through the lens of Canada's relative smallness. The obvious one is that discourses of smallness lend themselves to discourses of cultural imperialism and highlight long-standing concerns about Canada's annexation from below that have featured in Canadian discussions about broadcasting for nearly a century. Second, we can see the re-emergence of the key actors from previous regimes of content regulations—namely creative unions and film and television production bodies operating on the grounds that platforms should be modeled roughly around systems we have associated with broadcasting. Finally, we can see that it is an even smaller jurisdiction with its own perception of relative size where the themes of protectionism and fair competition have resulted in policies aimed at curbing Netflix's capabilities. From this, one can easily see the analytical benefits of appreciating notions of smallness to account for media markets. At the same time, however, the cases above indicate the need for better concepts to account for relations between different media markets that are more fluid and dynamic than ideas of small and big can encompass.

2.4 Middle Media Markets

What would happen if we were unable to describe media markets as small or big, but rather as operating within a very large section in the middle, between *very small* markets and those that are considerably bigger? If we could do such a thing, the effects would be very significant. This is because this kind of rescaling—even into the broader territory of the middle—would have the effect of drawing our attention away from the questions of *whether* those nations protect their markets and ensure industrial success to questions of *how* nations negotiate the circulation of media texts—domestic and foreign—within and *between* different markets.

In a suggestive article, sociologist Diana Crane characterized a group of film-producing countries, including Brazil, Switzerland, Taiwan and Canada, as "medium producer nations." This category applies when nations adopt cultural policies that "contribute to the maintenance and even growth of national film industries but do not increase their capacity to challenge the domination of the American film industry in the global film market" (Crane 2014). Using a sample of films from 2009, Crane detailed a range of different metrics, from market share to number of films produced, to "number of films in the national top 10" as factors in her middle market definition. In a large-scale comparison of a hundred different countries, Bustamente (2015) situated Canada alongside countries like Egypt, Chile and Germany when measured according to levels of state support for cultural policies and balances between private funding and public funding.[4]

Even if we want to quibble with the fact that Crane's model deals exclusively with film and that neither she nor Bustamente offers much in the way of a discussion of the transformations of creative economies due to the Internet, there is still considerable value in seeing Canada and these other nations as "middles." First, we are able to temporarily step away from discourses of defensiveness and toward a subtler more media-related understanding of proportionality outside of geopolitical terms. A language of balance is complemented with a consideration of flows and of the interaction between media texts from "here" and those from "elsewhere." This shift in orientation can inspire questions about how individuals and institutions negotiate policy measures meant to ensure national participation in cultural spheres with content imported from other places. This "middle management" work affects the velocity at which media moves within markets, as diverse figures like film distributors, television networks, retail operations, fan-focused events like comics conventions, and even filmmakers and other local influencers try to anticipate what aspects of global culture will appeal to local audiences, thereby affecting both its monetary value and its cultural legitimacy (Jenkins 2006: 152–172; Meissner 2014; Woo 2018: 207–208). Thinking in terms of middle markets draws our attention to discourses associated with brokerage and various kinds of cultural intermediaries (cf. Negus 2002) and continues to challenge the power relationships between nations that notions of small and big often perpetuate.

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[4]This is something I discuss in more detail in Wagman (2019: 4–5).

In media market terms, we can then think about national participation in global markets through the lens of units within market sectors (such as format television production) or within generic forms (such as documentary or animation) or by paying attention to various aspects of the production system, such as location production. Measures such as content regulations for radio and television broadcasting—an important fixture in Canadian media regulation—can then be seen as an attempt to ensure a Canadian presence within media flows that feature music or television programs that come from elsewhere. Other figures and factors include local production companies that license global formats, companies who negotiate territorial rights to distribute international films, specialty channels that offer "Canadian editions" of global channels like HGTV, programs like *Deal or No Deal* and networks like Discovery or the Food Network, along with co-production agreements with other countries (Baltruschat 2009; Wagman 2013; Quail 2015).

An interesting place to think about "middle-ing" in media terms would be to consider Crave, Netflix's largest Canadian competitor in the SVOD market. Crave is a subscription video on demand service that is owned by Bell Media, a company that has holdings that include telecommunication systems, radio and television broadcasting networks, newspapers and Internet portals. The service's ability to compete with much more powerful platforms like Netflix and Amazon Prime comes through access gained through national licensing agreements that allow Bell to air programs on the cable and satellite networks it owns. Most notable are Bell Media's licensing agreements with HBO and Showtime which allow it to offer programs such as *True Detective* and *Veep*, along with popular content either made specifically for domestic audiences or produced with a mix of Canadian and foreign talent that satisfies domestic content quotas but are able to be sold internationally (such as *Cardinal*, which was produced in Canada but is now available on services like BBC Four in the UK and Calle 13 in Spain). Finally, Crave users can select a more expensive option that allows them to watch programs on US cable networks HBO and Starz at the same time that they air in the USA, an offering that gained particular significance recently with the weekly release of episodes of *Game of Thrones* on the Crave service.

In the Crave example, it is clear how companies like Bell benefit from the regulatory protections in small markets, whose existence depends to some degree upon foreign ownership restrictions that prevented companies like HBO from establishing a Canadian version of the service. This means that Bell could purchase the license to distribute HBO's programs on its own HBO Canada channel and then add that content to its Crave catalogue. What is also clear is that Bell is able to work in areas that Netflix has yet to explore—live broadcasting—through its ability to offer more domestic distribution windows to production partners than a SVOD service is able to offer.

From this discussion, we can see the benefits to media industry analysis of an emphasis on middle states. In one sense, it allows us to appreciate the ways that a country such as Canada developed a set of institutions and policy instruments over time to provide a range of mediated forms of expression for a country operating in proximity to a powerful neighbor. In another sense, those same characteristics had the effect of situating Canadian producers within broader global media networks

according to more horizontal and lateral terms that are present within media industry business dynamics than in hierarchical terms drawn from world system theories or with a language associated with nationalism.

2.5   Test Markets

It is in the concept of the "test market" that the lateral relations between media markets can be further appreciated. It is drawn from the worlds of advertising and marketing, in which a group of people or a geographic locality is selected to try out new products and provide feedback before they are launched to wider audiences. Ideal test markets typically offer companies a representative mix of people, behavior and infrastructure most likely to mimic a "real" market where the product or service will be available. Test markets are often conceived in the context of research and experimentation and within a rubric of risk management; performance in the test market can often determine the pathways by which a given product will travel in different settings. With origins in the social sciences, test markets also remind us of the link between various forms of market research and the development of communication and media studies as academic disciplines.[5]

Test markets are useful for our discussion for a number of reasons. First, they draw specific attention to matters having to do with the relationship between media and audiences. They are reminders of the power of various kinds of "testing" that goes into the production of a range of technological forms, from focus groups and audience measurement techniques to present-day "beta testing." In other words, it is in the test market where we can appreciate the various components that comprise market research. Second, they draw attention to the role played by particular locations within more traditionally understood national markets. Third, they help us to think about the geography of innovation by recalling the cities where early media technologies were developed and refined. This turns markets into sites of experimentation and adaptation.

While we could certainly consider focus groups or broadcasting ratings or efforts of beta testing as illustrative of the relationship between media industries and marketing research, test markets draw particular attention to the role of cities as ideal simulations of larger populations of potential consumers. In his recent history of interactive television in the USA, Noah Arceneaux focuses on the role of Columbus, Ohio, as an ideal test market, a medium-sized city with the technological infrastructure to support experiments in television (Arceneaux 2018). The city of Brussels is identified on a Belgian economic development Web site as an ideal test market, characterized as an "international and cosmopolitan city where different cultures and nationalities meet, mingle and do business." The city's multicultural population and

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[5]For an overview of the history of marketing research, see Marchand (1985) and Schwarzkopf (2016).

what it calls its population's "high acceptance of foreign products" are seen as a per-fect setting for companies to test marketability before launching something into the European marketplace (HSBC 2019). The same characteristics have been attributed to the Canadian city of Montreal, as an ideal place where entrepreneurs can develop products for local testing before exporting to foreign markets (Stolarick and Florida 2006: 1811–1812). The city of London, Ontario, with a population of just under 500,000 and located halfway between Toronto and Detroit, has been the setting for the evaluation of many consumer products, from debit cards to McDonald's Chicken McNuggets (Vermond 2015).

In the context of our discussion here, it is when these contexts are seen as media test markets that they also are often cited for exhibiting high degrees of media literacy or possessing high levels of quality media infrastructure. As mentioned before, Canada was the first country to get Netflix outside of the USA, both as a nationally available service and as a stand-alone streaming service, and it is serving a similar role as the test case for the export of CBS's streaming video platform, CBS All Access. It is not just SVOD services where Canada (either nationally or regionally) is being used as a test market for digital services. Facebook has used Canada as the test market to experiment with free phone calls (Hamburger 2013), and it tested out its election advertising transparency efforts in Canada in order to refine its systems before the 2018 US midterm elections (Lagaya 2017).

Here we can see how test markets bring together many of the positive things we associate with small media markets with the more flexible, dynamic characteristics we can use to talk about "middle" markets for media. Furthermore, if we were to think retrospectively we could consider the ways specific market segments—like independent music or film companies—function within what Lobato (2017: 7) calls the "distribution ecology" for digital media services. This would encourage us to think about where the industry tests out new content or modes of delivery or how large digital platforms use certain users on their sites or sub-brands to test out ideas that will later be implemented on the main stage.[6] Moreover, we might consider the way that smaller locales serve as "test" markets for the regulation of those same digital platforms. Authorities in cities like Brussels have played a role in banning the ride-sharing service Uber through regional administrative tribunals; a temporary injunction was issued against the company by a regional court in the Czech city of Brno in 2017 before the company negotiated a settlement with the government. Finally, a regional court found that Facebook's data collection was in violation of German consumer law. While it may be multinational regulations like the EU's "Right to be Forgotten" that gathers most of the attention, it may also be that it is in these really small jurisdictions where regulatory models for the taming of these platforms are being tested out by local authorities for application on a wider scale.

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[6]Examples such as Amazon's use of Twitch to test new television shows (AdAge 2016), or the ways that Google's Sidewalk Labs is using the Canadian city of Toronto's waterfront district to test out its new "smart city" initiative, serve as illustrative cases.

2.6 Conclusion

In this chapter, I have argued for the development of a more subtle set of terms to understand the impact of digital platforms on screen and media industries within markets we have tended to see as small or peripheral. The suggestion here is that the characterization of markets as "small" carries with it a powerful narrative force that is tied up with a set of value propositions that characterize that market in cultural terms as much as it does in the economic sense. As a complement to notions of smallness, I have suggested that Canada's experience to date with Netflix serves as a reminder that of the role of "middle" market countries like Canada, including its position within a geography of test markets that come to be used by media companies operating both nationally and internationally.

The concepts outlined very briefly here point us in a more productive direction toward thinking more closely about how digital media technologies and platforms rescale marketplaces for media products by drawing attention to processes of convergence and ordering. Moreover, they also allow us to consider more profitably the role played by digital intermediaries that serve us media content according to their own international market logics, dictated by the predictive capacities of algorithmic communication (see Kennedy 2016; Napoli 2014). They also allow for a consideration of various ways different national contexts—both "big" and "small"—contend with the various platforms through their interrelationship to different institutional and infrastructural dynamics and call for a consideration of how those relations can be shaped and reshaped over time. Such a move may not result in us relegating these terms to the side, but rather to think of better ways to situate them within alternative scaling models for a more effective characterization of their effects within those markets themselves. If digital platforms fold and integrate different markets in new and powerful ways, it pays to think a little more about how we have understood those different markets to better appreciate the character of the new folded, hybrid forms these platforms produce.

One way to continue this conversation would be to think about alternative scalar narratives to discuss media markets that continue to encourage a move away from a language associated with size to terms and concepts more associated with structures. For example, Winseck (2012) suggests that we think of media economies through a language of *scaffolding* to best appreciate the arrangements within markets of more traditional media sectors, like broadcasting and film, but also to better capture the roles played by search engines and social networking platforms within the context of a networked media economy. In his analysis on Spotify's business models, Patrick Vonderau suggests that the music service demonstrates the capacity to "fold markets into each other" by hiding their aggressive growth strategies behind a rhetoric of public benefits (2017: 3–4). Finally, in another productive characterization, Bratton (2016) uses the concept of *stacks* to talk about the ways that computer platforms link information and actors across space and time through layers of software applications.

As the discussion of Netflix has shown, the characterization of media markets through the use of terms beyond those associated with size can be useful for thinking

more broadly about matters of sovereignty, the circulation of media products and the role of audiences operating in different localities, but each one of them also communicates important ideas about the value of those media products or services in those different settings. Our ability to continue to understand media markets in different contexts—and the scalar narratives we write about them—will rely on these structural metaphors going forward, a development which will place different nations in new kinds of relations and interrelations which can change with a keystroke or click of a mouse.

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