Vivendi-GE: consolidation is the question
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The announcement of the merger between NBC, owned by General Electric, and Vivendi Universal can be analyzed from two different perspectives. On the one hand, Vivendi’s point of view is easier and less interesting. The French company has an overwhelming need to disinvest to generate ‘cash’.

However, from the point of view of General Electric, the analysis is more complex and suggestive.

To interpret the decision of GE/NBC it is essential to distinguish between the business interests of General Electric and the strategic intentions of NBC.

With this move, the new GE CEO, Jeffrey Immelt, emphasizes his intention of promoting the participation of the group in the TV and cable sector through NBC which, we must not forget, is one of the most profitable business units.

For its part, NBC shows that it has no intention of lagging behind in the general context of consolidation and vertical integration, initiated in the sector a decade ago. The aim is to look for optimum synergies and scale, which offer a greater competitiveness.

At the same time, the move shows that its strategic objective is to take advantage of the opportunities of the new technologies in general, and of digitalization in particular, to establish itself as a great interactive platform.

The aim: to increase control over its value chain and generate value by making the most of its audiences through the interaction that digitalization allows.

In short, the Vivendi-GE case is another indication that the process of consolidation in media advances relentlessly in all senses. On the one hand, companies of the sector need to arrange the accounts of their different business units. On the other hand, this operation may also be a symptom that the consolidation process of the sector will be accelerated.