

Content Everywhere (2): Securing Canada's Place in the Digital Future



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Note:

This paper has been prepared with the input of many entertainment and media industry leaders, listed in Appendix B. The authors thank these individuals for their contribution to this study.

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Support for this study provided by



Introduction: Scope of the Study

a. Scope of the Study

In 2011, the Canadian Media Production Association (CMPA) undertook a study entitled *CONTENT EVERYWHERE: Mapping the Digital Future for the Canadian Production Industry*. The study focused on the US digital content industry and specifically, on changing and alternative outlets and models for financing and distributing linear content.

In just under four years, the digital media environment has changed dramatically (again!) with most online outlets fully committed to commissioning linear, original programming and many traditional media companies also producing 'digital first' original content. 'Content Everywhere' is now an imperative for any and all media companies.

CONTENT EVERYWHERE 2 seeks to identify opportunities for Canadian content producers that have emerged in the linear, original digital content space. (Please note this paper does not examine opportunities in transmedia or interactive digital content.) This White Paper aims to answer the following questions:

1. *What has happened in the emerging marketplace (English-language) for content created outside of the traditional studio and broadcast system over the past three to four years?*
2. *Who are the new content buyers in the US, Canada and the UK, and what are they commissioning?*
3. *How are traditional media players responding to the rising tide of OTT original production?*
4. *Four years ago, Canada did not have any players of scale in the linear, original digital content space. Has this changed? What are the domestic opportunities for Canadian producers?*
5. *What do case studies of TV series and web series produced for digital platforms tell us about changing financing parameters?*

Source: http://www.cmpa.ca/sites/default/files/documents/industry-information/studies/CONTENT_EVERYWHERE-2012-02-27.pdf

Introduction: 'Videofication' of the Internet Takes Hold

b. 'Videofication' of the Internet Takes Hold

It is an understatement to say that video on the Internet is the single most important trend in the media industry today. The obstacles to consumer acceptance – broadband penetration, ubiquity of smartphones, high value content availability on multiple platforms – have been solved. As a result, today's consumer can find a diverse range of video content on almost any platform, at any time.

More than 1 billion unique users visit YouTube each month, viewing over six billion hours of video; 100 hours of video are uploaded to YouTube every minute. Globally, CISCO predicts that video traffic will be 79% of all consumer Internet traffic in 2018, up from 66% in 2013. The sum of all forms of video (TV, video on demand, Internet, and peer-to-peer file sharing) will be 80 to 90% of all global consumer traffic by 2018. Internet video is growing at a rapid pace, increasing fourfold by 2018 and consumer VOD traffic will double by 2018. For example, the amount of VOD traffic by 2018 will be equivalent to six billion DVDs per month.

So video on the Internet has arrived, streaming services have now entered the original content business and supply is seemingly limitless. As a result, disruption in the traditional media industry is also well underway – causing legacy companies to step in aggressively.

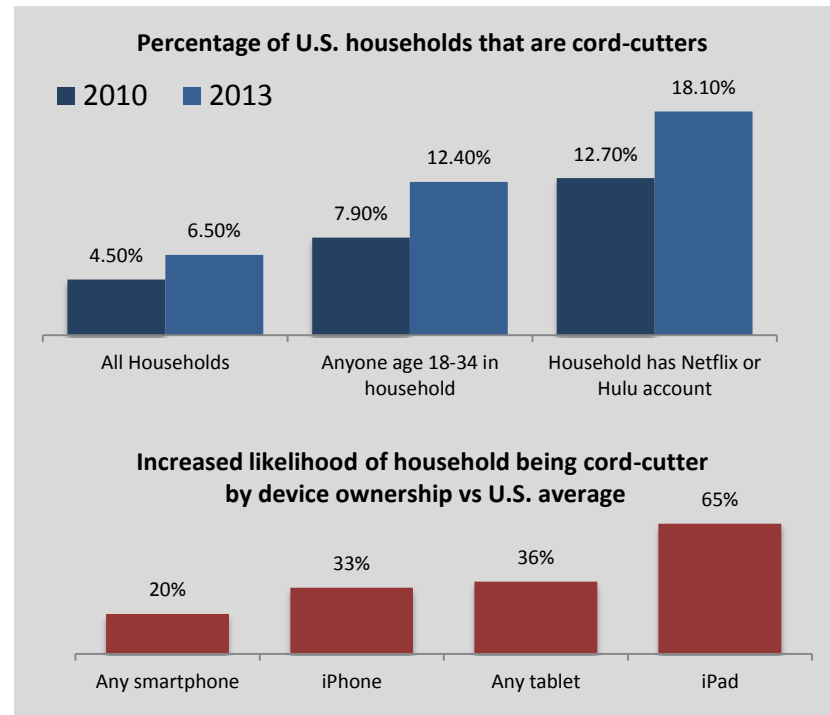
c. The Great Unbundling

Bundling — selling pre-packaged groups of channels to consumers — has been a cornerstone of the cable/satellite business for decades. It has provided operators and channels alike with steadily increasing subscriber fees. Consumers, on the other hand, often end up paying for channels they don't watch.

Source: http://www.cisco.com/c/en/us/solutions/collateral/service-provider/ip-ngn-ip-next-generation-network/white_paper_c11-481360.html
<https://www.youtube.com/yt/press/statistics.html>

<http://www.experian.com/assets/marketing-services/brochures/cross-device-video-analysis-2014.pdf>

The rise of OTT services (Netflix being the largest), YouTube and video consumption on mobile devices has resulted in consumer 'cord cutting' and 'cord shaving' (replacing or reducing cable/satellite subscriptions with online content.) To date, cord cutting has taken only a small bite out of the legacy business, but the growing commitment to ambitious original content slates by OTT players like Netflix, Amazon and Hulu suggests that this trend could accelerate dramatically. Furthermore, an entire generation of 'cord nevers,' those who have never subscribed to cable TV, threatens the future-proof nature of the cable/satellite business model.



Introduction: 'Videofication' of the Internet Takes Hold

Although 'TV Everywhere' (giving authenticated subscribers access to bundled programming on any device) showed strong growth, thanks largely to special events like March Madness basketball and the World Cup, only 17% of US pay TV subscribers knew about TV Everywhere apps and services as reported by gigacom. Subsequently, several important networks late in 2014 announced plans to launch stand-alone SVOD services, including HBO, CBS, Univision and the NBA.



This is arguably a watershed moment, as these stand-alone services fundamentally alter the networks' relationships with cable and satellite system operators. Presumably, the networks have concluded that selling \$5-\$10 monthly SVOD packages can offset the loss of cable subscribers netting \$2 a head.

d. Canada Follows Suit

While no one questions that Canadian consumers have an abundance of video choices today, the evidence suggests that a majority of consumers (83% according to a Television Bureau of Canada study in 2014) are still tuned to commercial television – increasingly held by live event programming. The balance of their viewing time – 17% – is directed to streaming services such as YouTube, Netflix and shows from online stores such as iTunes.

Online Video Viewership and Engagement

Q2 2014 source: comScore

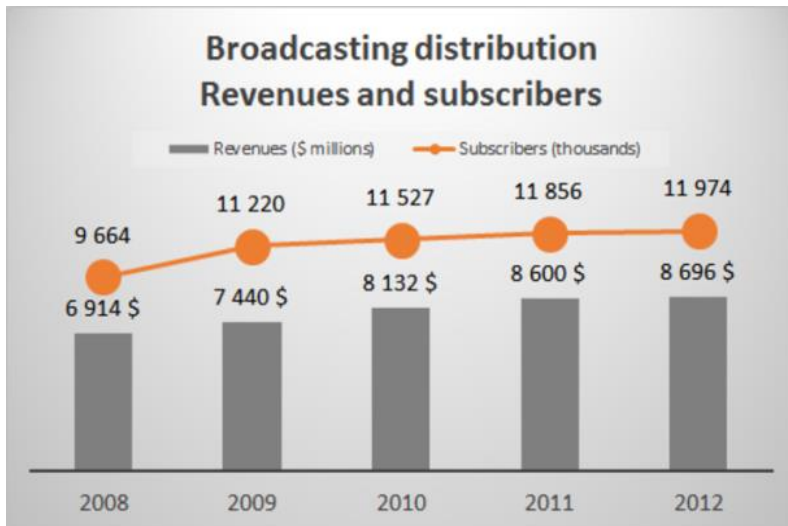
Geography	Average Monthly Unique Viewers (millions)	Average Monthly Hours per Viewer	Average Monthly Videos per Viewer
Worldwide	1,485,726	14.9	184
United States	172,635	17.3	382
Russian Federation	63,384	25.7	246
Germany	42,528	13.4	158
Brazil	63,892	12.3	185
France	35,640	14.5	198
United Kingdom	34,019	20.8	315
Italy	27,274	12.6	183
Canada	21,991	24.7 	409 

Sources:

- <https://gigacom.com/2014/10/19/never-say-never-why-tv-networks-are-suddenly-ready-to-unbundle/>
- <http://www.cbc.ca/news/business/cord-cutting-continues-as-canadians-ditch-tv-landlines-1.2601373>
- <http://www.theglobeandmail.com/report-on-business/more-canadians-cutting-the-cord-tv-subscriber-numbers-fall-for-first-time/article18685129/>
- <http://trends.cmf-fmc.ca/blog/crtc-communications-monitoring-report-2013-the-cord-hasnt-been-cut-yet>
- <http://www.marketingmag.ca/media/tvb-report-shows-majority-of-video-in-canada-viewed-on-tv-112704>

Introduction: 'Videofication' of the Internet Takes Hold

In Canada, fears of a growing trend of cord-cutters, cord-shavers and cord-nevers were evident at the CRTC's September 2014 'Let's Talk TV' hearings. However, the CRTC's 2013 *Communications Monitor* suggests that reports of the cord-cutting phenomenon are overblown, with the number of Canadian cable and satellite subscribers declining by less than one-tenth of a percentage point in 2013. In fact, the latest MTM data suggests that only 5% of Canadians view television exclusively online. That said, the traditional cable/satellite TV business is a mature one and growth has undeniably slowed so any new service that cannibalizes existing subscription rates is perceived as a threat. Netflix is the prime example. Netflix launched in Canada in 2010 and had an estimated 3 million subscribers last year, up from 2.2 million in 2012.



Source <http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2012/cmr4.htm#n4>

e. UK in the Game

The UK has seen a strong SVOD market emerge with three significant players: Netflix, Amazon Prime and Sky's NowTV. According to OFCOM's annual *Communications Market Report*, online TV revenues grew by 41% in 2013 with SVOD showing 76% growth.

Analysis by the UK's viewing research body BARB suggests that this growth may not necessarily be at the expense of existing pay TV operators and services. BARB argued that initial research into the nature of a Netflix home in the UK shows one that is a heavy video content household, already subscribing to movie and sports channels, with multiple televisions and users, and so SVOD services were currently complementary rather than alternative to legacy services.

Sources: http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/UK_2.pdf
<http://www.barb.co.uk/whats-new/329>

Introduction: 'Videofication' of the Internet Takes Hold

f. What's Different?

As industry pundits argue whether streaming video is just another window or a true disruptor to the broadcast industry as MP3 was to the music industry, the critical difference today (as to four years ago) is the growing investment in original digital-first content by OTT services and other players.

As companies like Netflix and Amazon use their significant war-chests to fund original content globally, the threat to viewing share has taken on new colour. Just as the cable television industry grabbed critical attention and then audience share from the traditional networks with hit series such as *South Park*, *The Sopranos* and more recently, *Game of Thrones*, *Mad Men* and *The Walking Dead*, so now are Netflix originals like *House of Cards* and *Orange is the New Black* attracting loyal audiences...presumably from other competing drama series on traditional and/or cable networks.

Similarly, traditional media companies and brands have jumped into the original video content fray and upped the ante as YouTube and other first entrants try to professionalize their user-generated content pipeline.



Trends: The US Leads the Way

“As we keep an eye on the Digital NewFront sessions in New York City, it immediately became clear, it’s all about mobile, video and social. Every outlet is thinking about the smartphones that have become integral and indispensable in our lives. They’re all counting on that fact as they create new content and to that end, look for more and more video.” – Forbes.com

a. The US Leads the Way

Several consumer trends in the US market point to an increasingly unbundled, SVOD driven market:

- Netflix now has more than 37 million subscribers in the US (57.4 million worldwide), and those subscribers watch an average of 90 minutes of programming from the streaming service every day;
- 47% of all US households subscribe to Netflix, Amazon Prime Instant, Hulu, or a combination of these services;
- Among 18-24 year-olds, the numbers are even higher: 61% of them subscribe to at least one online video service, 49% subscribe to Netflix;
- 49% of all households in the US have a TV connected to the Internet;
- 34% of American consumers watch online videos every day.


Furthermore, stand-alone apps are the primary means of accessing OTT content. Smartphones and tablets are now the fastest-growing means of accessing and consuming Internet TV content.

Neither in the UK nor in Canada are the penetration numbers quite as high but the viewer conversion rates and mobile are headed in the same direction. For example in the UK, 54% of program requests for the BBC’s iPlayer service in February 2014 came from mobile devices – up from just 17% in January 2012.

Source: <http://www.forbes.com/sites/dianegordon/2014/04/29/2014-digital-newfronts-the-mantra-mobile-video-and-social>
<https://gigaom.com/2014/10/19/never-say-never-why-tv-networks-are-suddenly-ready-to-unbundle/>

US – Top video sites visited from a desktop ranked by visit share

Visit share and average visit time (min:sec)
 Week ending March 22, 2014

	58.77%		1.98%
	21:23		10:42
	6.73%		1.52%
	22:51		16:06
	2.34%		1.46%
	6:00		2:06
	2.18%		0.79%
	4:48		10:01
	2.16%		0.75%
	10:31		2:43

Source: US Market Data <http://www.experian.com/assets/marketing-services/brochures/cross-device-video-analysis-2014.pdf>

Trends: OTTs' Surging Buyer Power

"The goal is to become HBO faster than HBO can become us."

Ted Sarandos, Netflix Chief Content Officer (reported in GQ)

b. OTTs' Surging Buyer Power

The "Big Three" — Netflix, Hulu and Amazon — are now spending more on individual shows than they did on catalogue content just a few years ago. RBC Capital Markets reports in 2015 SVOD syndication deals will be worth US\$6.8 billion to content producers, up over 30% from the \$5.2 billion that Hulu, Netflix and Amazon collectively spent on content in 2014. That said, the bulk of content purchases are still for licensed rather than original programming, where SVOD channels are starting to outbid their broadcast counterparts. For example, Netflix bought three seasons of Fox's *The New Girl* for US\$900K per episode, paying more than MTV/TBS, which jointly expended \$400K per episode. Other big-money examples include *The Good Wife*, which sold to Amazon and Hulu for a combined \$1.8 million per episode, and Sony/Universal's *The Blacklist*, where Netflix paid \$2 million per episode for exclusive rights.

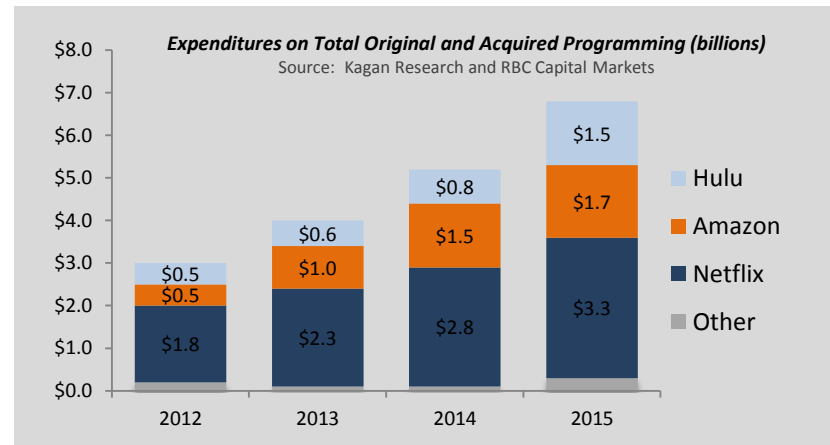
Netflix: Chief Content Officer Ted Sarandos reports Netflix's content is 70% TV and 30% film, reflecting consumer demand for serialized content. Netflix was reported to be spending \$3 billion on content this year, with only 10% of that amount earmarked for originals. However, in a recent financing (\$1.5 billion), Netflix says it intends to launch 320 hours of original programming, "triple the amount of original programming Netflix released in 2014." The service is commissioning across several genres: drama series, comedy series and specials, documentaries, feature films and children's.

Amazon: Amazon is also investing "millions" in original programming, like John Goodman's *Alpha House* and the Silicon Valley comedy *Betas*, with the objective of attracting more shoppers to Amazon Prime.

Sources: <http://streamdaily.tv/2014/10/27/bulk-buying-is-out-exclusivity-is-in-svod-syndication-report/> and <http://deadline.com/2014/10/studios-wary-produce-original-shows-digital-859489/>
http://www.huffingtonpost.com/2013/05/31/amazon-tv-shows_n_3362531.html <http://www.tubefilter.com/2013/11/12/youtube-original-channels-initiative-experiment-end/>
<http://www.hollywoodreporter.com/news/hulus-original-programming-slate-669098>
<http://videoter.com/netflix-1-5bn-bonds-new-content/>

Amazon has also made significant forays into kids original content. Stealing a page from Netflix's playbook (which encourages binge-viewing), Amazon released all 10 episodes of dark comedy *Transparent* at the same time, in late September on Amazon Prime.

Hulu: An early entrant among the OTT's in originals, Hulu has stepped up its investment in original content moving from factual-only to comedy and drama series. Its current slate includes renewed shows like Chris O'Dowd's semi-autobiographical comedy *Moone Boy* and Seth Meyers' animated superhero series *The Awesomes*; new shows include supernatural comedy *Deadbeat* and reality TV satire *The Hotwives of Orlando*. Hulu's biggest splash yet was the announcement of a new series, *11/22/63*, based on the Stephen King book and produced by JJ Abrams. In total, Hulu will air 12 returning series and four new series under its Hulu Originals banner in 2014. These join the website's catalogue of more than 86,000 television episodes and 2,900 television series.



Trends: More Players Jump Into the Digital-First Game

c. More Players Jump Into the Digital-First Game: US

Not everyone is racing to the original online video business. Although Google grabbed headlines in 2012 by investing over \$100M in 100 original YouTube channels, it did not repeat the experiment. The Google initiative yielded few hits, and was reportedly unprofitable, but it did yield intelligence that has informed YouTube's subsequent original content strategy. Notably, homegrown YouTube stars were more successful than legacy-media personalities in building channels; channels with frequent content updates outperformed those programmed like traditional TV; and hot broadband categories, like gaming, translated into hot channels. In response, YouTube is now providing support services, like production facilities and better search, to its native creators rather than direct financial investment in content production.

Similarly, Microsoft retreated from original production when it announced the closing of Xbox Entertainment Studios in October 2014. More generally, early entrants to the online video content business have refined their strategies, moving, unsurprisingly, to less experimental content with untested creators to reprising older successful franchises or new series featuring celebrities with pre-existing fan-bases or digital followings.

Despite the exceptions above, the overwhelming trend is to more players entering the digital video arena. According to the IAB, digital video is the fastest-growing advertising medium in the United States. Marketers responded by increasing their spending to \$2.8 billion in 2013, up 19% from 2012. At the 2015 NewFronts which the IAB hosts, the six co-founding companies – AOL, DigitasLBi, Google/YouTube, Hulu, Microsoft and Yahoo – will be joined by BuzzFeed, Condé Nast Entertainment, Crackle (Sony), Discovery Digital Networks, the Dow Jones Company/Wall Street Journal, Fullscreen (the MCN which recently acquired Rooster Teeth, 'veteran' web content creator of *Red Vs Blue*),

HealthiNation, Machinima, Maker Studios, Mode Media, National Geographic, The New York Times, POPSUGAR, Refinery29, Time Inc., Time Warner Cable, Vevo, and VICE.

Joining early OTT players in the creation of original, digital-first video is a roster of traditional media companies, brands, and MCNs (multichannel networks.) For example, AOL is steadily expanding its commitment to original series, very much focused around celebrities. AOL greenlit 16 original series in 2014, featuring personalities such as James Franco, Steve Buscemi, Sarah Jessica Parker and Ellen DeGeneres.



Source: http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-112014#sthash.ppNANvtT.pdf
<http://corp.aol.com/2014/04/29/aol-announces-16-original-programs-at-the-2014-digital-content-n/>

Trends: More Players Jump Into the Digital-First Game

c. More Players Jump Into the Digital-First Game: Canada

“Celebrities and female-centric content drive discoverability for the original series on CTV Extend.” - Mike Cosentino, Bell Media

In Canada, the commitment to digital-first linear series has been slower than the US, with the exception of the Independent Production Fund, which launched in 2010, and has since funded over 54 scripted series. Fonds TV5 finances web series in Quebec and, of course, the Canada Media Fund has supported interactive digital content through its Convergent, and Experimental Funds for several years.

2014 is the year that Canadian media companies stepped up.

Bell Media launched CTV Extend, a dedicated digital hub, to showcase original digital-first series in July 2014 with two Canadian series *Backpackers* and *Guidestones*. However, its US series, *Blue*, which stars Julie Stiles playing a mother who is a moonlighting prostitute has been the CTV Extend top rater to date. At the end of the year, Bell also launched its OTT challenger – CraveTV, an on-demand television-only offering for authenticated subscribers – as did Shaw and Rogers with their movie and TV OTT service, Shomi.

CBC launched Punchline in 2014, a platform and showcase for digital-first comedy series, both acquired and commissioned.

Late in 2014, Rogers announced a groundbreaking partnership with VICE to launch a Canadian production studio and TV channel aimed at millennials. The \$100 million joint venture will include a Toronto-based Vice Canada Studio and the VICE TV Network will begin operations in 2015. According to VICE, the company will be opening its doors to third-party content pitches in all formats that embrace the VICE ‘vibe’ – which is described as young male-skewing without alienating women. In keeping with its global strategy, VICE will likely seek to control all rights to original programming wherever possible.

While many Canadian companies are stepping gingerly into the digital-first space with relatively modest investment dollars, Red Bull Media House,

Canada is one of Red Bull’s production hubs because it’s an English-language market and there are lots of people here who can produce the kind of work we are looking for...” - Jason Ford, former EP, Moving Images, Red Bull Canada (now VICE Canada, VP Production)

the Austrian headquartered brand, is making a significant commitment. Red Bull broke onto the media scene with documentaries and video series about extreme athletes and then took the world by storm with the Red Bull Stratos space jump. Felix Baumgartner’s jump not only took records for speed but also for attracting the largest number of viewers for an online livecast: over 8 million. Red Bull has since evolved and expanded its original content strategy beyond sports to culture, social, adventure, technology and music – all with the Red Bull brand philosophy of ‘living life to the fullest’ in mind. Next year, the Red Bull division in Canada will commission over 20 original properties, documentaries, one-offs, short videos, and, beginning this year, including looking to develop global TV series.



Source:<http://www.theglobeandmail.com/report-on-business/rogers-vice-media-to-partner-on-100-million-venture/article21380037/>

Trends: More Players Jump Into the Digital-First Game

c. More Players Jump Into the Digital-First Game: UK

In the UK, established broadcasters have made a distinctive commitment to digital-first content. The BBC has gone so far as to plan to convert one of its broadcast channels, BBC3, to online only – though the move was largely a cost-savings measure. BBC3 has reached out to producers to propose ideas targeting the channel's core demographic of 16 to 24 year-olds, and reflecting its ethos of “make them laugh, make them think”. The BBC also continues to commission a range of online exclusive content through the BBC iPlayer. The emphasis is on comedy and spin offs, most notably *Frankie Boyle's Referendum Autopsy* from the controversial comedian.

Channel Four continues to be a prime advocate of digital-first content amongst the traditional broadcasters. For example, in an interesting twist on catch-up viewing, Channel 4 premiered its hit sitcom, *Fresh Meat*, in October last year on its digital on demand service 4oD, with each episode being shown one week ahead of the broadcast airdate. The centre of online commissioning is the 4oD exclusives Shorts genre, most recently featuring ‘*Educating Binky*’, spun off from the C4 hit series *Made in Chelsea*.

UKTV, the multi channel broadcaster, has followed C4 by launching an online VOD portal called UKTV Play. The intention is to include short content series commissions then poll viewers’ preferences to shape re-commissioning. UKTV Play will also premiere new shows ahead of broadcast on a UKTV channel, including the hit series *Crackanory* on the channel Dave.

The UK’s two biggest independent SVOD operators, Netflix and Amazon, have both committed significant sums to original digital -first content in the scripted drama series *The Crown* and *Ripper Street Season 3* respectively.



Source: <http://www.broadcastnow.co.uk/broadcasters/bbc3-seeks-online-ideas/5078908.article>

Trends: Smaller Players Pioneer Original Content

“The dominant players on the network-TV first-window side (CBS, Warner Brothers, Fox, etc.) are playing a virtually immaterial role in the production of content for the emerging original content SVOD ecosystem, even as its growth accelerates.” - RBC Capital Markets report

d. Smaller Players Pioneer Original Online Content

It is the more nimble US independents that have taken the lead on digital-first series for SVOD platforms. These include companies like Lionsgate (*Orange Is the New Black* for Netflix and *Deadbeat* for Hulu) and Legendary TV (which, with Judd Apatow, has a two-season commitment from Netflix for *Love*), Gary Trudeau (*Alpha House* for Amazon), and Electus (*Marco Polo* for Netflix).

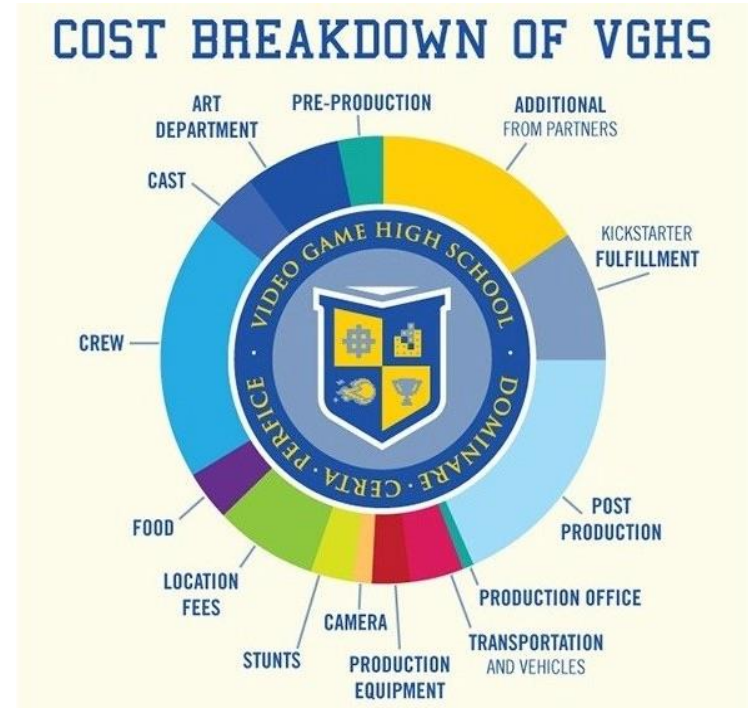
Similarly, first-generation Internet services (like VICE, Funny or Die, and College Humor) and MCNs (like Machinima, Fullscreen and Maker) continue to support original content – either their own or through third-party YouTubers or celebrity talent. VICE, in particular, which started as an upstart magazine in Montreal 20 years ago is now valued at more than \$2.5 billion after Technology Crossover Ventures, a Silicon Valley venture capital firm, and A&E Networks each made \$250 million investments for a 10% interest in the company.

Ultimately, the real game changer in the digital-first space has been the self-financed creators – YouTube stars like Freddie Wong (*Videogame HighSchool*) or Epic Meal Time (from Montreal) or Epic Rap Battles — that have found sustaining audiences. Early online personalities like Felicia Day (*The Guild*) and Rooster Teeth (*Red vs Blue*) are now veterans of a platform that has exploded to several thousands of minutes of video content uploaded per hour/per day.

Critical to the YouTuber phenomenon is the zero cost of production to Google, the distribution platform. These creators have succeeded by keeping costs low and focusing on frequent interaction with their fans.

Sources: RBC Capital Markets, “TV Content: Traditional And Digital Syndication”
<http://nofilmschool.com/2012/12/cost-breakdown-web-series-video-game-high-school>

For example, the production budget for a season of *Videogame HighSchool* is an impressive \$US630K, the largest chunk of which (\$274K) was raised on Kickstarter. This season represented nine episodes at a total running time of 2 hours.



Brands continue to expand their role in the origination of digital-first content, as we explored in a previous study “Branded Entertainment: A New Production Financing Paradigm,” available at http://trends.cmf-fmc.ca/research-reports/the_future_of_branded_entertainment

Trends: Old Media Races to Catch Up

e. Old Media Races to Catch Up

YouTube, which has a long head start in building channels, may be an instructive example for the emerging OTT market. As cable evolved into MSOs (multi-system operators,) YouTube developed Multi-Channel Networks (MCNs) which aggregate collections of YouTube channels, providing marketing, financing and production resources for their members.

Old media has recently begun aggressively acquiring or investing in MCNs:

- Disney acquired Maker Studios (450 million subs, 55,000 channels) for \$500 million against a deal valued at \$950 million.
- Dreamworks Animation acquired Awesomeness TV (51 million subs, 86,000 channels) for \$33 million against a deal valued at \$117 million.
- Scripps Networks leads \$25 million Round C for Tastemade (1.3 million subs, 300 channels).
- Warner Bros leads \$18 million Round D for Machinima (320 million subs, 12,500 channels).



In Canada, Blue Ant Media invested earlier in 2014 in another US MCN called Omnia which has over 1000 YouTube content creators with over 65 million subscribers and generates around 1.1 billion global video views per month. Similarly, Corus made an investment in a US-based MCN called “KIN”, which focuses on the women’s lifestyle vertical. As part of this initiative, Corus will launch KIN Canada and deepen its reach in women’s content in Canada and beyond.

Most importantly, the major BDUs in Canada launched their long-awaited SVOD services at the end of 2014. Shomi, a joint venture between Rogers

and Shaw, launched at \$8/month with a 12,000 film and TV title offering and CraveTV, Bell Media’s service, launched at \$4/month with a TV offering only. Bell has indicated that it will also commission original digital-first series for CraveTV as part of its overall content strategy across all of its channels.

In addition to buying into established digital-first businesses, many legacy media companies are developing their own in-house studios. Notable examples include:

- **Conde Nast** has been an aggressive producer, with original digital series related to *Wired*, *Vanity Fair*, *Allure*, *Bon Appétit*, *Glamour*, *Vogue*, *Golf Digest*, *GQ*, *Self*, *Epicurious* and most recently *The New Yorker*. Its digital programming is distributed on over 25 platforms and devices including AOL, Yahoo, Roku, YouTube, Twitter, Dailymotion and Condé Nast’s brand sites.
- **The New York Times** is expanding its in-house video operation, amidst layoffs on the print side. For example, the Times served 15.5 million desktop video streams to over 4 million unique viewers across its site and YouTube in September 2014, according to comScore. It is actively producing digital-first content like the *Out There* space exploration series.
- In the UK, **The Guardian’s** dedicated multimedia team claims to produce an average of nearly 25 hours of video content per month. This includes in-depth news reports, investigative exposés, short-form documentaries, sports videos and lifestyle weekly videos.

Sources: <http://mccglobal.com/blog/wp-content/uploads/2014/08/Fast-Take-On-Over-the-Top-Programming-August-2014.pdf>
<http://www.hollywoodreporter.com/news/canadas-blue-ant-media-invests-692466>

Trends: Old Media Races to Catch Up

- **Crackle**, Sony's online service available in 21 countries, focuses on action, comedy, crime, horror and sci-fi feature film, TV series and original TV-quality digital-first programming. The service's original series include Emmy-nominated *Comedians in Cars Getting Coffee* from Jerry Seinfeld — Crackle's most popular series — as well as the thriller *Chosen*, starring Chad Michael Murray and Rose McGowan, *Cleaners*, starring David Arquette and Gina Gershon, and the recently-launched crime drama *Sequestered*. The company does not report on production budgets but in the recent Sony hacking fiasco, it was reportedly considering selling 51% of the business for \$100 million to raise more cash to fund original programming.
- **PBS Digital Studios** distributes a mix of licensed and original programming on several YouTube channels, the most popular of which — the Idea Channel — has close to 600,000 subscribers. Most of the series focus on science, pop culture, art, food, news, and music. PBS launched its channel strategy with a series of video remixes based on PBS icons like Mr. Rogers. Its first scripted series, *Frankenstein, MD*, from the producers of *The Lizzie Bennet Diaries*, launched in August, 2014.

Additionally, several important web-first series have now spawned TV extensions, including *Drunk History*, picked up for television by Comedy Central; *The High Fructose Adventures of Annoying Orange* for Cartoon Network and *Epic Meal Time* for FYI. In the case of Canadian hit, *Epic Meal Time*, A&E's FYI network picked up a 16 half-hour episode series which debuted in July, 2014. The Canadian YouTube phenomenon launched in October 2010, and has grown steadily ever since to now count over 6.6 million subscribers.

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Preliminary Findings from Industry Interviews

As part of this study, we conducted over 30 industry interviews with executives engaged on both the buy-side and create-side of the digital-first content equation. Clearly in the world of digital-first content, a 'class system' is emerging. At one end of the spectrum are the OTT services which are ordering premium television or film content – like Netflix, Amazon and Hulu – in some cases with bigger budgets than network television. Players like Yahoo Screen, which started its original content strategy with shorter form, less premium projects, has shifted to more celebrity-driven content to help with discoverability (for example, *Bridesmaids*' Paul Feig is directing a half-hour sci-fi comedy, *Other Space*, for Yahoo.)

At the other end of the spectrum are the self-financed YouTube stars like Freddy Wong (*VGHS*) or Rooster Teeth (*Red vs Blue*) who have built massive audiences organically and are now in a position to produce at higher budgets. In between are the thousands of digital-first shorter episode series – financed by brands, some platform and/or broadcaster license fees, Canadian funds, producer investment or some combination thereof. These are the digital-first projects which, for the most part, are most vulnerable and difficult to monetize, unless they come to the table with a significant, pre-existing audience in place.

1. Role of the Audience: While respondents in this study ranged from legacy media businesses to large OTT platforms, with varying commitments to original digital-first production, ALL agreed that the single most important thing that has changed in the idea-to-screen equation is the role of the audience. In a world where choice is infinite and the viewer now controls when, what and where to consume content, – producers now have to demonstrate that there is an audience for the idea that they are pitching. Not a theoretical audience, but a demonstrable one. This can mean a traditional box office value equation – the Kevin Spacey - David Fincher combination in *House of Cards*; a passionate yet underserved audience by legacy media, such as gamers or animé fans; a sequel or remake of a proven property; or a title/talent with a compelling digital footprint across a variety of social media.

2. Financing Models: Not surprisingly, each of the platforms has a different approach to production financing. While those with deep pockets and a pure SVOD-play are able to fully finance, many OTT platforms will seek to finance their original production slates through brand partnerships. To date, however, there are no fast rules and the majority of respondents in this study indicated that they finance digital-first originals through a combination of licence fees, full financing, and brand sponsorships.

3. Retention of Rights: The bigger spenders with global aspirations – Netflix and Amazon – seek to control the maximum rights in the territories where they are present. To date, Netflix has been involved in several co-productions – especially when they have picked up a series where the original broadcaster may have stepped back – and has demonstrated flexibility with regards to sharing in the exploitation of rights. As the budgets rise in scripted programming, buyers like Hulu are open to co-financing arrangements with windowing and exclusivity negotiated in the same way that broadcast deals have been done in the past. Many of the legacy media companies like *The New York Times* or Conde Nast engage service producers or in-house teams to produce their video content, though as budgets increase these companies are also more open to third-party financing.

4. Categories and Genres of Programming: Netflix has delved into feature films, children's programming and documentaries alongside its slate of drama series. Again, key to their approach to selecting programs to finance are the following factors: Did the property have a passionate fan-base in its previous life e.g. *Trailer Park Boys*, *Magic Schoolbus*, or a remake of a successful UK series? Will the series travel and appeal to audiences across multiple territories e.g. *Marco Polo*, or the sequel to *Crouching Tiger, Hidden Dragon*? Will the program or documentary be an award-winner or viewed as 'premium' content e.g. *Virunga* and the *Nina Simone* documentaries? Whereas digital platforms have the advantage of in-depth audience data, most interviewed said that they are not looking for mainstream television

Preliminary Findings from Industry Interviews

content. In a digital world, premium content – highly targeted for engaged and voracious viewers – is key. If a producer can demonstrate demand for a particular property – whether through significant online loyalty or YouTube subscriptions – and a plan on how to exploit and leverage that fan-base, then most digital buyers will listen. As one respondent commented, however, “we made a show with Sarah Silverman and Seth Rogen – what’s not to love about that? – but they were not engaged contractually to promote the property and so no one watched it.”

5. Analytics Matter: Although respondents are quite careful to place data-analysis in context, it is impossible to ignore how deep customer data has become. The larger platforms, in particular, absolutely will evaluate any prospective program concept in terms of how well the genre, talent and other key elements “index” with their audiences.

6. Importance of Celebrities: About 70% of the buyers interviewed indicated that celebrities – either traditional or online – are crucial or important in their programming decisions. A crowded marketplace makes celebrity an even more important tactic for cutting through the noise.

7. Promotion has gone digital, too. While certain high-profile projects still justify traditional ad spending for marketing, the center of gravity has shifted to digital strategies built around earned media, SEO, recommendation engines, platform partnerships and related digital campaigns. One respondent aptly captured the prevailing point of view, saying this mix is the ‘secret sauce’ of digital and each company’s approach for discoverability by the right audiences is typically a well-guarded secret.

8. How to Pitch: Whereas the digital-first landscape has broken through many of the gatekeepers, it has also reinstated old rules. So, for example, producers wanting to pitch Netflix, Hulu and Amazon must do so through agents and lawyers, just as they would with the

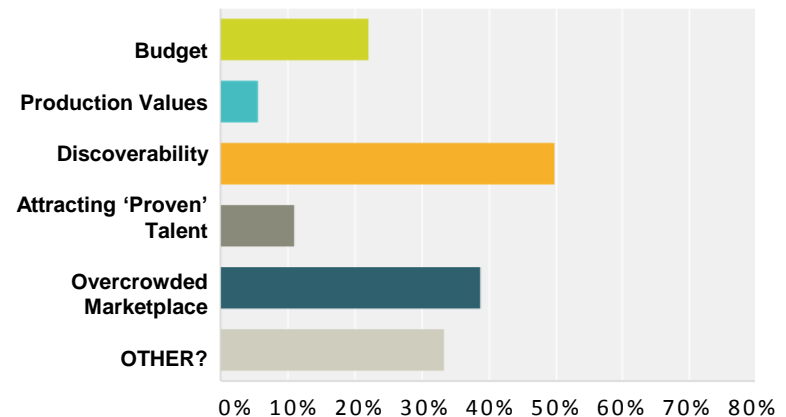
over-the-air or cable networks. For the smaller players, direct contact with the buyers is still possible – though many of these executives indicated that they are increasingly inundated with pitches and will not accept unsolicited pitches.

9. Many things about OTT now look like TV: Production quality is often at commercial-TV level. Business practices are similar. Even the OTT brands are organizing around TV-style dynamics. There are premium content producers (like Netflix), repositories for a wide variety of series (Hulu), next-generation news outlets (VICE), and tightly focused niche players. While the range of content offerings seems unlimited, some familiar patterns are re-asserting themselves.

10. What are the primary challenges facing digital-first content?

Respondents identified a number of obstacles facing the digital-first content business – with discoverability and an overcrowded market place being the most critical. Other obstacles cited included availability of financing and difficulty in monetizing shorter form digital series.

Challenges to Digital-First Business
(2014 CMPA Survey)



Canada Case Study: *ANNEDROIDS*

Description: Kids Live-Action and CG Series (primary audience 6-9 year-olds, family co-viewing) 52 x ½ hrs

ANNEDROIDS is the story of genius scientist Anne, her friends Nick and Shania, and her android creations Hand, Eyes and Pal as they embark on the biggest experiment of them all: growing up. Described by one critic, the show celebrates diversity of all kinds. It features both single parent and same-sex parent families. Plus it co-stars a genderless android trying to figure out what it means to be a 'boy' or a "girl." Now *that's* what 21st Century TV should look like. Produced by Toronto-based Sinking Ship Entertainment, an award-winning production and interactive company that has created standout kids properties such as *Dino Dan* and *This is Daniel Cook*.

Genesis of the Project: Sinking Ship partners, JJ Johnson and Blair Powers, describe the financing trajectory for ANNEDROIDS as beginning in 2010 with a short demo, produced in-house and co-financed with their distributor, PictureBox, and then presented to a number of Canadian broadcasters. TVO stepped forward and the producers began the path of pre-selling to other territories, including Kika in Germany, SVP in Sweden, and Radio-Canada in French Canada. The property, with its female protagonist, was rejected by the US majors and Sinking Ship was ready to 'set sail' without complete financing. Through a pre-existing relationship with the executive-in-charge of kids production at Amazon (Tara Sorensen), the producers pitched ANNEDROIDS and a deal for the US and the UK was struck. The series launched on Amazon Prime in July 2014.

The Deal: While Amazon seeks to fully finance its original productions and hence, control worldwide rights, in the case of ANNEDROIDS, the property came to the party with significant presales and financing in place and hence the producers were able to retain certain international rights. The budget level of the series was comparable to many TV kids series (\$250,000 per episode.)

"Amazon was willing to take some risks with Annedroids which a regular TV network might not....the series has a serialized storyline which lends itself to viewing multiple episodes at once and the theme of gender did not scare them off." - JJ Johnson, writer and partner

Key Criteria for Digital-First: So what makes ANNEDROIDS a digital-first property? Clearly, it is a hybrid: bringing strong kids broadcasters to the financing at an early stage. The producers cite high quality production values as critical, along with a distinctive, more 'risky', creative offering. The OTT platforms all point to 'event' entertainment, premium programming or something that audiences wouldn't find on television as key filters in their commissioning strategies. As the first Amazon-financed Canadian series, ANNEDROIDS does qualify as a landmark deal. Success with Amazon has brought Netflix to Sinking Ship with a second window offer on their *Odd Squad* series. And, of course, Amazon's significant online retail and merchandising reach makes it especially appealing for children's properties. According to the producers, the presence of new OTT buyers in the marketplace will hopefully make traditional broadcasters take more creative risks and perhaps even commission more shows in order to compete.



Source: <http://www.avclub.com/article/amazons-annedroids-effortlessly-dismantles-kid-sho-207335>

Canada Case Study: *OUT WITH DAD*

“Your show opened my eyes to things I didn’t know a lot about and helped me understand that being queer is normal and that I shouldn’t be ashamed about my feelings for someone whether I like a girl or a guy. I’m going to high school next year and I hope to meet more people like me so that I don’t feel so lonely.” -- YouTube comment

Description: Live-Action Series (target LGBT audience, teens and families) 3 Seasons completed, 42 x 4-18” episodes

OUT WITH DAD is an award winning drama web series about a teenage girl and her single father, at a time when Rose is coming of age and coming out. The series debuted in June of 2010, and concluded its third season in September of 2014, after 42 episodes. In early 2014, the spin-off series VANESSA’S STORY was created when the direction of Vanessa story line was deemed too dark for the series. Though produced as a separate series, the episodes of VANESSA’S STORY run parallel to the events in OUT WITH DAD. OUT WITH DAD is arguably the most successful digital series to date in Canada, with over 23 million views.

Genesis of the Project: Jason Leaver, the creator/writer/director and producer of OUT WITH DAD, describes how he wanted to be a feature filmmaker or TV producer but realized that getting greenlit ‘out of the gate’ was going to be tough. He opted for the ‘do-it-yourself’ digital series approach, self-financed with a largely volunteer cast and crew, learning the tricks of the web and how to build an audience along the way. The series has made an impact around the globe and is officially endorsed by PGLAP Canada, Canada’s only national organization that helps Canadians who are struggling with issues of sexual orientation and gender identity.

The Deal: For OUT WITH DAD, the DIY model applies. The creator has struggled to finance multiple seasons of the series and for the third season raised about \$70,000 in production financing from fans. Leaver points to Rogers Community Television and the lesbian pop culture websites

AfterEllen.com and Onemorelesbian.com as critical to building audience for the show. Like many of the, YouTube-based digital series, monetization remains a challenge and producers must look to traditional licence fees from television, brand or other ancillary outlets to subsidize production costs.

“This medium is the most intimate one – where comments and connection with the audience are key...” Jason Leaver, filmmaker

Key Criteria for Digital-First: According to Leaver – and many others interviewed in this study – digital-first online content is NOT just a ‘small version of TV.’ In order to build audience directly online, there must be an emotional connection, authenticity, frequent communication and the opportunity for feedback. Finding a hugely underserved niche – as in the case of young lesbians coming out – also helps in building a strong digital-first property. And, according to Leaver, understanding how to leverage the social media that your audience uses is central to building audience. In the case of OUT WITH DAD, Leaver missed the Tumblr opportunity and felt that Twitter skews too old as a social media tool for his audience. From the outset, Leaver was careful to ask himself, ‘if I were a teenage girl coming out, what would I be searching for online?’ and designed his metadata descriptions accordingly.



Sources: Interview with Jason Leaver. <http://www.outwithdad.com/about>

Canada Case Study: *BITE ON MONDO*

“It’s hard to work with third party independent producers in the traditional way in the digital-first space as the margins are so slim...Blue Ant is operating here as a producer not as a broadcaster.” -- Raja Khanna, CEO, Blue Ant Media

Description: *BITE ON MONDO* is a \$3 million initiative to fund 250 adult comedy animated shorts, average 3-minute running time; a Blue Ant partnership with Mondo.

Genesis of the Project: Blue Ant launched the *BITE ON MONDO* initiative in 2013/14 with an open call for adult animated comedy shorts from Canadian creators in partnership with Mondo, an online animation site (with over 2.4 million subscribers to its YouTube channel.) The idea is to cull about 30 of the shorts as ‘pilots’ and test them on Mondo’s YouTube channel. From there half of these pilots will move forward as short series and half of those to longer series. The best 1 or 2 concepts will be commissioned as 50+ episode series.

The Deal: Blue Ant raised \$3 million for *BITE ON MONDO* through a combination of its own investment (almost half the budget), tax credits, and the Canada Media Fund. Mondo is the distribution partner, but Blue Ant owns the IP, with creators participating in the backend should their projects be picked up. Announced in October 2014, Corus joined the party and licensed a compilation of the shorts into 26 30-minute episodes for Teletoon, airing in 2016.

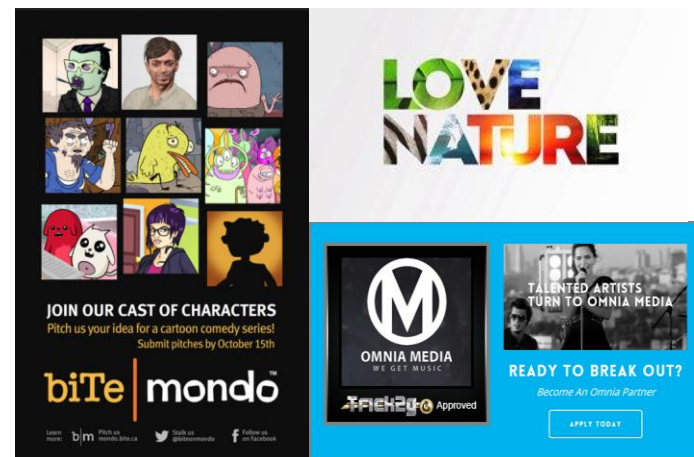
Key Criteria for Digital-First: Key to the *BITE ON MONDO* project is leveraging Mondo’s YouTube audience to test new animated concepts – across its global audience. While this may be a Darwinian approach to development, for emerging talent it eliminates the often impenetrable gatekeeper syndrome.

BITE ON MONDO is just one of several Blue Ant digital-first initiatives, including its YouTube production studio in Toronto. The company

invested in a top 10 YouTube MCN, Omnia Media, which has a roster of over 1000 creators in the gaming, music and style verticals. Blue Ant is handling sales for the over 1.1 billion monthly digital video impressions across its 65 million YouTube subscribers worldwide from a new office in New York.

“There is a stark divide between the TV production and digital-first world. The Canadian industry is sitting on its hands...if you want to be a successful YouTube creator you have to become a marketer and learn social media tools.”– Raja Khanna

In a third arm of its digital-first strategy, Blue Ant announced the rebranding of its nature channel Oasis as *LOVE NATURE* and made a commitment to produce 200 hours of 4K programming. According to Khanna, many of these titles are aimed at digital-first, global SVOD platforms and others will fall into a traditional broadcaster model, or a combination of both. Titles include *Nomads of the Serengeti*, *Lewa Diaries*, *Africa’s Wildlife Icons*, *Land of Primates*, and *Nature’s Extremes*.



Sources: Interview with Raja Khanna; blueantmedia.ca

Canada Case Study: **CBC COMEDYCOUP**

“CBC ComedyCoup is a complementary form of development for us...and it’s a less intimidating way for new content creators to get in front of the CBC.”– Michelle Daly, Head of Comedy, CBC

Description: CBC COMEDYCOUP is a first test for the CBC of the ‘accelerator’ studio model developed by CineCoup. Hundreds of projects submitted, one was greenlit for a \$500,000 TV pilot.

Genesis of the Project: On October 2, 2014, CBC launched its 10-week CBC COMEDYCOUP initiative – based on the successful feature film platform and social media experience which CineCoup developed and launched in 2013. One key differentiator of the CineCoup approach is the ability to build and engage significant audience throughout its development process. In partnership with Just for Laughs and the CineCoup team, CBC COMEDYCOUP is “a disruptive and democratic studio model to discover new forms of funny.” Over 10 weeks, comedy creators from across Canada produced videos and creative materials to persuade audiences of the viability and comic potential of their concepts. Over 100 projects advanced through the selection process as largely determined by the audience. The final five projects appeared before a jury – including the most active fan on COMEDYCOUP – at the Whistler Film Festival in early December 2014. According to CineCoup, CBC COMEDYCOUP engaged over 250,000 active fans over the 10 weeks.

The Deal: While the Cinecoup model could be described as an entirely digital initiative, its outcomes are more suitably described as traditional. In the case of CBC COMEDYCOUP, one project, HUMANTOWN from Vancouver, was selected and greenlit for \$500,000 in traditional production financing for a television pilot with the CBC. But, as the CBC pointed out, the model of employing a digital platform to cast the widest possible net for talent and project ideas – and to engage the audience in the development and selection project – makes this a uniquely digital-first initiative. Furthermore, while only one project was

greenlit for production, several others have been optioned for further development by Cinecoup, one of which, *Dépfliés*, now has a development deal with CBC Comedy. None of the projects submitted to COMEDYCOUP is exclusive to the CBC, though they do have a ‘first look’ – which makes it a truly democratic form of development and provides great exposure for all of the participating teams.

Key Criteria for Digital-First:

The COMEDYCOUP process requires a commitment of time and resources for the teams submitting. And similar to most of YouTube creation, it is self-financed. This DIY approach to content creation is perhaps the most disruptive force for traditional content creators accustomed to development in partnership with a buyer.

Cinecoup has developed an impressive social media network, fed by the digital circles of each new project that comes to the platform, which supports its model.



US Case Study: EAST LOS HIGH

"Hulu just made the most sense for the target we wanted to hit -- that generation is way more online..." - Mark Warshaw, The Alchemists

Description: Live action, half-hours (Latino teens), Hulu Original

EAST LOS HIGH is Hulu's first original series to target the Hispanic audience. Produced in a telenovela style, it focuses on the lives of teenagers in an East Los Angeles high school. As Hulu describes it, "Dance, sex, romance, and mystery are at the heart of this inner city school in East LA where two teenage cousins—Jessie, a 16-year-old virgin and Maya, a troubled runaway with a violent past—fall in love with Jacob, a popular football player." EAST LOS HIGH serves a dual purpose, with an educational element actively built into the content. The storylines have morals, dealing with issues like teen pregnancy. "You start out with a very salacious soap opera and get them (the audience) in," says Evangeline Ordaz, who writes the show with creators Carlos Portugal and Kathleen Bedoya. "Then hit them up with: if you're going to have sex, be responsible." The show points viewers to websites offering resources on the underlying issue of each episode. Transmedia is a critical part of the series strategy, which allows the team to go deeper into the characters' stories and social issues.

Genesis of the Project: The series was developed by the nonprofit Population Media Center, which creates serialized content to promote social change. EAST LOS HIGH was originally conceived as a web series. The producers created an initial series of seven-minute webisodes. They used non-union crews and unknown actors. The pilot episodes were financed by the Population Media Center and private investors, most of whom were motivated by its potential social benefits, according to The Alchemists, a Los Angeles group working on sales, distribution and marketing. The producers shopped the short-form series to various outlets, receiving interest from mainstream players, including ABC Family and MTV.

The Deal: Once Hulu came into the picture, the series transitioned to union crews and guild actors. Hulu does not disclose its budgets, but at the time of the ELH deal, then-CEO Andy Forssell said spending would be consistent with "midrange cable budgets."

Key Criteria for Digital-First: According to Hulu VP Content, David Baron, "we are trying to create a drumbeat" of regular renewals and commissions for Hulu Originals. "Consumers still think of Hulu primarily as a place for catch-up TV viewing, but originals help broaden the brand." Internal analytics, which are quite deep, help guide decision-making, but are by no means the last word. Hulu looks for "great writing, first and foremost."

Hulu doesn't release viewership numbers, but it confirms EAST LOS HIGH is popular with women 18 to 35 and was a top 10 show on Hulu in its debut season. The series has been renewed twice, indicating ongoing audience support. *Hollywood Reporter* wrote that the series 'performed as well as or better than such hits as *Grey's Anatomy* and *The Daily Show with Jon Stewart*.'



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and direct interview with David Baron, VP Content, Hulu

US Case Study: *Frankenstein, MD*

“Digital-first is a socially driven medium, all the way.” Tom Davidson, Senior Director, PBS Digital

Description: Scripted short-form series (24 episodes, 5-8 minutes) co-produced for PBS Digital Studios

FRANKENSTEIN, MD is PBS’s first scripted digital series and a 21st-century update of the Mary Shelley classic. It adds both comedic and educational elements to the well-known gothic horror tale. The story revolves around two young medical students, Victoria Frankenstein and Iggy DeLacey, from the fictional Engle State University. In each episode, Frankenstein experiments with leading-edge medical technologies or theories, often using her friends as subjects. Real science underlies the plot, in keeping with PBS’s overall educational mandate. The series first ran from August through October, 2014, and was well-received critically. It is a partnership between PBS and Pemberley Digital, an independent digital company based in Los Angeles, which has a track record of adapting classics for modern media. Pemberley previously produced digital hit *The Lizzie Bennet Diaries* (an adaptation of Jane Austen’s *Pride and Prejudice*) and *Emma Approved* (based on Austen’s *Emma*).

Genesis of the Project: According to Tom Davidson, Senior Director of PBS Digital, it is important for PBS to find producers ‘native to digital media,’ with a proven grasp on digital storytelling. One of PBS’s first digital series, *The Parent Show*, taught it that relying on a TV approach to production techniques and talent could be a trap – and not necessarily work for the digital audience. Consequently, PBS was open to collaborating with Pemberley, who had an unusually on-target mix of classic sensibility and digital production skills. Furthermore, PBS Digital’s goal is to bring the PBS brand to younger viewers (since the primetime broadcast audience is ‘50-plus, even 60-plus’).

The Deal: Davidson reports that PBS Digital’s series are generally funded about 50% in-house, 30%-40% through foundation support, and the balance through earned revenue like underwriting grants and distribution sales. In some cases PBS seeks to control most rights;

and in others, it will simply license content. Monetization is very much a work in progress as the PBS underwriting and brand requirements make a straight YouTube strategy more challenging. In general, production costs for scripted projects are budgeted for \$2,000-\$3,000 per minute.

Key Criteria for Digital-First: For PBS Digital, series must be consistent with the PBS brand, offering “thoughtful discussion of topics relevant to our audience.” Subjects like the arts and education are central to the PBS identity. The content creators need to be fluent in digital media, not only in production but in social support. The programming should also serve to broaden the PBS audience, as millennials, for example, would rarely, if ever, watch the legacy broadcast service. According to Davidson, on-air promotion on PBS itself, which reaches a different audience, is not particularly effective in discovery of digital series. PBS Digital relies on the social networks brought by the talent and producers; on search engine optimization (meta-tags, keywords, embedded links) and on targeted advertising, where Facebook has been especially effective. Transmedia also played an important role in the promotion of **FRANKENSTEIN, MD**. For instance, ancillary content on Victoria Frankenstein’s blog, Twitter, Facebook, Tumblr, and Instagram helped both tease the series prior to debut and to promote it consistently thereafter.



US Case Study: *Marco Polo*

Description: Period drama, one hour episodes; Netflix's most expensive original production to date, reported US\$90M budget for first season of 10 episodes.

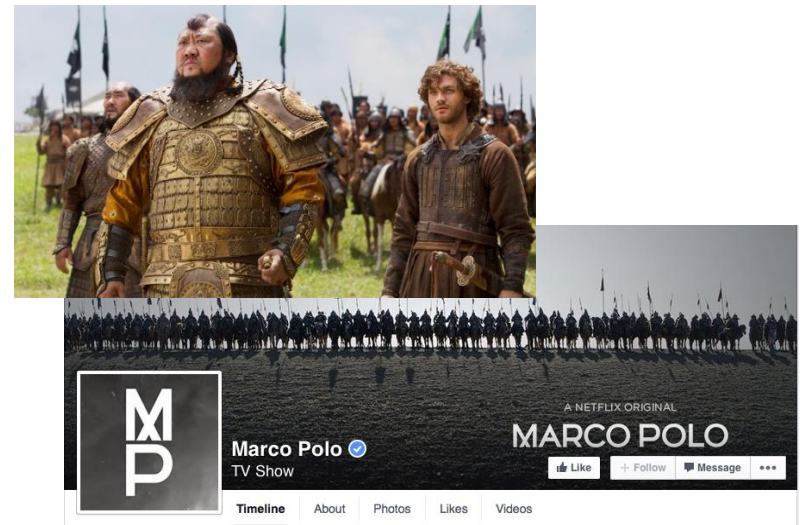
MARCO POLO is an East-meets-West epic which follows the early years of the famous explorer as he travels the exotic Silk Road to the great Kublai Khan's court. The series features exotic locations, epic battles, high-flying martial arts and a sexy cast — all meant to assure international interest. According to the series creator and executive producer, John Fusco, “the journey of Marco Polo is the hero's journey, one that all cultures across the globe can relate to.” The series features Italian actor Lorenzo Richelmy in the title role, supported by Prometheus' Benedict Wong, *The Last Emperor's* Joan Chen and *Arrow's* China Han. It is a legitimately big-ticket project, as lavish as any network series. It was shot in Italy, Kazakhstan and Malaysia with a construction crew of 400 people, with an additional 160 in the art department. Only *Game of Thrones*, the HBO juggernaut, is said to have a higher budget.

Genesis of the Project: The series has traveled a meandering road worthy of its namesake. Originally developed by the Weinstein Company and Electus, the project received a 10-episode straight-to-series order by Starz in January 2012, which hoped to shoot in China — a first for a US-based show. That proved too costly and complex, so Starz released the project, with Netflix soon signing on. The Weinstein Company is co-producing the series with Netflix. Electus remains involved, serving as executive producer and distributing in (the relatively few) non-Netflix international territories. Industry analyst Porter Bibb of Mediatech Capital Partners calls **MARCO POLO** “a genius selection, because it's a universal film. It's got Europe. It's got Asia. It's historic.”

And despite overwhelmingly poor reviews, the series may still perform sufficiently well across Netflix's global subscriber base to ‘pay’ for itself.

“Thanks to Netflix's mysterious metrics and the project's potential international appeal, the stakes for this Electus and Weinstein Co. collaboration probably aren't that high. And that's the good news for a series that looks the part in terms of vying for a spot among elite period dramas, but winds up feeling like a pretender to the throne.”
—Brian Lowry, Critic, *Variety*

Key Criteria for Digital-First: Netflix has quite clearly staked its future on original programming to distinguish the brand, with worldwide rights being a crucial part of the mix. “It is no secret that we want Netflix to be a global product,” said Chief Content Officer Ted Sarandos in press interviews. Expanding internationally is vital to Netflix's future, as growth in its home territory has “slowed to a trickle,” according to Bibb. The company has pushed quickly into just over 50 countries and now has roughly 58 million total global subscribers.



UK Case Study: *Ripper Street*

“Amazon looked at it (*Ripper Street*) differently and had alternative priorities to broadcasters...” Saul Venit COO, Lookoutpoint

Description: Scripted drama adult audience (8 episode season)

Ripper Street is a scripted period police drama set in Victorian London. It follows H Division, the police precinct charged with keeping order in the deprived East End of London. It is set in the aftermath of the last of the Jack the Ripper murders. Featured recurring cast includes Matthew Macfadyen, Jerome Flynn (*Game of Thrones*) and Adam Rothenberg. The series is produced by Tiger Aspect and Lookoutpoint.

Genesis of the project: The BBC had previously commissioned and broadcast two seasons (16 episodes) of *Ripper Street* in 2013. As reported on website Digital Spy, at the end of that year the BBC decided not to renew the series for a third season because “the second series didn’t bring the audience we hoped and in order to make room for creative renewal and new ideas it won’t be returning.” However fans of the show launched an online campaign to keep it alive using a Change.org petition which attracted over 40,000 signatures by the end of February 2014.

The deal: Following the BBC’s decision not to renew, Tiger Aspect and Lookoutpoint moved quickly and were able to secure a commitment from Amazon Prime Instant Video (formerly LoveFilm) to join the financing of a third series. The budget for the series is estimated to be in the region of £12 million with Amazon reportedly contributing about a third of this amount. Amazon Prime Instant Video is also currently offering seasons 1 and 2. The BBC plans to air this third season later in 2015.

Key criteria for digital first: *Ripper Street* Season 3 represents Amazon Prime’s first involvement in a major UK series for the UK market. Despite the ongoing involvement of the BBC, Amazon see themselves as being the ‘commissioning broadcaster’. The series

premiered on Amazon Prime Instant Video in the UK before any broadcasts by the BBC in 2015. The series was at the centre of Amazon’s pre Christmas marketing campaign for Amazon Prime Instant Video. New episodes were being released each Friday, leading up to a Boxing Day finale. Amazon also intends to offer an extended length ‘Amazon cut’ of each episode featuring content that will not be broadcast on the BBC.



UK Case Study: *Portal*

"Commissioning original content is good for our brand identity. House of Cards generated a significant number of subscribers for Netflix, so it makes sense for us to play in the space too...there is an opportunity for us, because YouTube is not prioritizing drama and Netflix is a subscription service." – Harriet Faust, Dailymotion, former UK Director of content and partnerships

Description: Scifi, scripted web series (6 x 15-minute episodes)

PORTAL is a sci-fi fantasy adventure. The government has just banned the ultimate legal high PORTAL – part drug, part social network. It is the story of the dealers, the addicts and the doctors living inside and outside of the portal world. The series will star Danny Ryder and Vicky Connet (both from the Channel Four series *Hollyoaks*) as well as known Manchester 'faces and names'. The series is being executive produced by Mark Ashmore of Future Artists with locations in Yorkshire and Manchester.

Genesis of the project: In October 2013, building on an existing relationship, Dailymotion and Future Artists entered into an agreement for Future Artists to supply regular films to be featured on a Dailymotion channel. One of the features, *Lost Generation*, had also been a considerable bit torrent success, with Future Artists claiming over 1 million such downloads. Dailymotion then approached Future Artists to develop a project incorporating some of the themes of *Lost Generation*. Dailymotion also saw an opportunity, as Google/YouTube were closing their original content initiative.

The deal: PORTAL was conceived in December 2013. Screen Yorkshire, a regional body supporting film, broadcast and digital media in the north of England, joined Dailymotion and Future Artists as co-funders. The series was produced over the summer with delivery to Dailymotion in December this year and with a planned release date at the end of January 2015. The series has a budget of £60,000 financed 45% each by Dailymotion and Screen Yorkshire

with Future Artists investing 10% (£6000). Negotiations for a second series have already begun.



Key criteria for digital first: When commissioned early in 2014, PORTAL was understood to be Dailymotion's first financing of scripted content. When the commission was announced, Harriet Faust was reported to have explained, "We are not a broadcaster so we won't be focusing all of our efforts on it, but it is important to try it out." The plan is to simultaneously release all six- episodes on Dailymotion together with all the extras. The producers also hope for a theatrical release of a feature version along side distribution on Blinkbox, Amazon Prime and DVD as well as iTunes at a later stage.

UK Case Study: *The Crown*

Description: Scripted drama adult audience (initially 10 one-hour episode season)

THE CROWN will be a scripted drama series telling the inside story of Britain's Queen Elizabeth II and her relationship with post-war Prime Ministers and of the events of the period. According to Netflix, the drama will "tell the inside story of two of the most famous addresses in the world – Buckingham Palace and 10 Downing Street – and the intrigues, love lives and machinations behind the great events that shaped the second half of the 20th century." The plan is that each season will be dedicated to a decade of Queen Elizabeth II's reign, which could promise, if successful, a 50-part series. The series is based on the West End play *The Audience*, which was written by Peter Morgan (*The Queen* and *Frost/Nixon*). Left Bank Pictures will produce the series in association with Sony Pictures Television.

Genesis of the project: Peter Morgan wrote the 2006 Oscar-winning film, *The Queen*, starring Helen Mirren. In 2013, the writer and star were reunited in the West End play, which centered on the weekly audiences given by the Queen to British Prime Ministers to discuss the events and issues of the day. The series was originally believed, in May 2014, to comprise an initial 20-episode season, although only 10 were confirmed in November.

The deal: Left Bank presented and pitched the completed scripted project to a range of traditional broadcasters and new content platforms (including the BBC and ITV as well as Netflix.) Both the British established broadcasters wished to pursue the idea. However Netflix secured the deal back in July and is believed to have agreed to more than £5 million an episode to produce the series.

Sources:

<http://www.theguardian.com/media/2014/may/23/netflix-epic-the-queen-crown-peter-morgan>

https://www.linkedin.com/pulse/20141204172910-283620963-did-netflix-s-just-blow-90-million?trk=tod-home-art-list-large_0

Key criteria for digital first: THE CROWN is estimated to be the biggest 'digital-first' commission of British subject matter produced by a UK production company. The subject matter generates enough international interest to work for Netflix as a subscription driver and retainer in multiple markets and territories. It also represents a major commitment to UK content in what could be argued is Netflix's most important market outside of the US.



Conclusions: Opportunities for Independent Producers

Opportunities for Independent Producers

“The new platforms – Netflix, Amazon, etc – are all based ex-Canada, which means Canadians are at a disadvantage for pitching digital-first series.”

If it is the Golden Age of dramatic television, one could also argue that it is also the Gold Rush for staking out online video empires. For independent producers, the question is how to navigate the different parameters and demands of new buyers. What has changed?

1. More Outlets – Same Rules Apply.

“There is no monetization model for digital-first content – outside of the SVOD TV-look-alike content being made for Netflix, Amazon or Hulu...”

Without a doubt, there are hundreds of new players in the video space. But more competition does not necessarily make it easier for independent producers. Traditional broadcasters are seeking stand-out or event-driven premium shows to prevent erosion of their market share. This leads to a lower risk threshold for emerging or untested talent and ideas. Similarly, after four or five years in the original content commissioning business, the OTTs’ appetite for risk is also dropping. Yahoo Screen! moved away from lower budget series to celebrity-driven properties. Hulu, Amazon and Netflix have all moved to higher profile series with well-known and tested producers, directors, showrunners and talent. And as so many of the bigger OTT services are non-Canadian, this makes it that much tougher for Canadian producers to access their slates.

Even Google/YouTube, which funded over \$100 million in YouTube channels, has abandoned the direct investment in original content strategy in favour of providing more marketing support to its most successful existing channel partners. So for independent producers seeking to break in, the challenges may seem greater.

2. Producers don’t just produce.

“The biggest obstacle is discoverability in a crowded marketplace – and the only way to address this challenge is to produce a show that you know has an audience.”

Creating something great is still the prime objective, but getting to a green light often requires more than just a strong idea and team. With no shortage of content supply and no gatekeepers left, how does any particular piece of content cut through? Producers need to bring more to the table, including:

- **Delivering Audience is Key.** Gone are the days where delivering audience was the sole responsibility of the networks. In today’s digital-first world, where discoverability is the biggest challenge, buyers expect content producers and talent to bring their audiences and built-in fan bases to the table. Whether that’s a YouTube subscriber base or an online blog or robust Twitter following, the expectation is that ‘just an idea’ is not good enough. Producers need to demonstrate that the idea comes with ‘proof of concept’ and is supported by a lively and engaged audience. As such, Netflix and Amazon have both supported revivals of tested brands such as *Trailer Park Boys*, *The Magic School Bus*, and *Ripper Street*. The risks are clearly lower re-launching a proven brand than building an audience from scratch.
- **Digital Footprint is Key.** In the same way that delivering audience is critical, the importance of celebrity has never been greater – but with a twist. Celebrity only counts if the individuals or brands involved are actually engaged in direct audience development. Talent with a digital footprint – active Twitter and Facebook followers, for example – has much greater value than ‘old media fame’ in the digital-first video world.

Sources: Unattributed quotes in this section are taken from interviews with buyers conducted for this study.

Conclusions: Opportunities for Independent Producers

- **A marketing plan.** How are you going to ‘work’ your show? How will you finance audience building campaigns prior to production? What tools (social networking, PR, digital campaigns) can you utilize to build on the existing audience?

“There is no established marketplace for digital-first content – yet...Unlike making a TV show, where you know there’s a primary, secondary and tertiary market for it...”

- **A sense of data.** If you can demonstrate analytical support for your concept (traffic stats, keyword traffic, relevant comps), it can help your case.

“Beyond the individual creator who manages to self-finance their own show on YouTube and reaches several million subscribers, there is no viable monetization model for digital-first content.”

3. A Class System Emerges:

“Right now there is no way to make money in short digital series unless you have the good fortune to be picked up for TV or another platform...”

Over the last five years, the world of digital-first content has rapidly evolved and, while still in flux, a taxonomy is emerging.

- **TV-look-alike** content is at one end of the digital-first spectrum. This content looks and feels like premium television. The key difference for producers is that OTT players are focused on global audiences – as opposed to more domestically focused broadcasters – and as such, will often seek to control worldwide rights.
- **Short digital series** which are scripted and produced in a ‘mini-TV’ style are still struggling to find a viable revenue model. While early winners, such as *The Guild* or *Red Versus Blue*, have survived due to their large fan bases, new entrants often fail to

build sufficient scale. Unless underwritten by brands, or featuring recognizable talent, this format of digital-first content has yet to prove its sustainability. *High Maintenance*, VIMEO’s first original series is a bona fide hit, but the first season of short episodes was entirely self-financed and new longer episodes, financed by VIMEO, are being released on an on-demand basis.

“Audience building is the number one challenge...creator/producers must have a plan from the outset to build an audience over time for their IP.”

YouTubers with a seemingly endless supply of new ‘hit’ talent have emerged as the new brass ring in digital-first content. Multi-channel networks quickly stepped up to aggregate successful Youtubers – driving audience and advertisers to their individual channels. For many traditional producers and broadcasters, finding a way to mine this new talent pool effectively has become a priority. Companies have set up YouTube studios (such as Blue Ant and Temple Street in Canada) to provide production resources to YouTubers and to participate in the drive to grow audiences for these individual brands. But the YouTube model has its detractors (due to Google’s 45% share of revenues generated) and other platforms such as VIMEO, Dailymotion and now VESSEL (the latest OTT entrant from Hulu’s founder, Jason Kilar) are promising creators more favourable terms for revenue share.

4. Do More, More Often, on a Lower Budget.

Many of the respondents in this study recommended that ‘traditional TV’ producers need to learn new production skills. The reality of YouTube is a speedy, high frequency, low-to-no budget production model. And low-to-no budget does not necessarily equate to no production values, as the *Videogame High School* example demonstrates.

Conclusions: Opportunities for Independent Producers

5. Financing for Digital-First in Canada Remains Challenging.

“OTT services like VICE – with operations in Canada – cannot access Canadian funding, which doesn’t make sense. We self-finance everything, which ultimately limits what we can do...”

Producers seeking to create digital-first series have to work that much harder to secure financing. Budgets may be smaller, but digital-first content is not eligible for a lot of the legacy Canadian funding incentives, and may not be subject to the same ‘Canadian content’ requirements. As many of the government incentive programs have focused on digital extensions and/or highly interactive digital content, the pure linear digital-first category has been somewhat orphaned to date.

“The content ecosystem is shifting more to exclusivity and full-brand experiences. This means that the old model of making a show in Canada with production funding, then selling it internationally, doesn’t work as well.”

But this does not mean that digital-first linear series should be abandoned. While the market size of Canada limits the potential brand funding available to producers, each of the broadcast groups interviewed for this study cited growing interest in digital-first initiatives, especially where brands can be involved.

Summary: The case studies examined in this report, whether from Canada, the US or the UK, point to common characteristics in digital-first content across all markets:

- a. **Global, universal stories**
- b. **Pre-existing and demonstrable digital audience**
- c. **Underserved audiences (in traditional media)**
- d. **Unique creative, perhaps unsuited to traditional media**
- e. **Creative appealing to younger digital audiences**
- f. **Premium talent or ‘event’ programming**
- g. **‘Digital native’ skills (social media, community building experience)**
- h. **Transmedia competency to market and support content**

Appendices:

- A. Respondents were asked to identify ‘the most successful digital-first property’ to date – either on their own service or simply in the worldwide marketplace. Titles cited by multiple respondents were *Lizzie Bennet Diaries*, *PewDiePie*, *House of Cards*, *Orange is the New Black*, and *Videogame Highschool*.
- B. Respondents were asked whether they accept direct pitches from producers and development criteria for the projects they license .

Appendix A: Most Popular Digital-First Properties (as selected by respondents to this study)

Title	Platform	Description	Comment
Alpha House	Amazon	scripted comedy	Not quite a network comedy
Blue	CTV Extend	scripted drama starring Julia Stiles	Success due to recognizable talent; high production values; fit CTV's demo women 30+
Burning Love	Yahoo Screen	drama	TV quality with TV stars; built an audience
Camp Takota	iTunes	comedy with Grace Heldig	Low budget movie with a built-in audience due to Daily Grace following
Comedians in Cars Getting Coffee	Crackle	Seinfeld reality comedy	Star comedians hang out with Jerry Seinfeld; star-driven
Convos with My Two-Year Old	YouTube	Scripted comedy	Simple format; over 760k subscribers
Deadbeat	Hulu	scripted comedy	Talent with track record
East Los High	Hulu	drama	Latino underserved audience
Epic Meal Time	YouTube	comedy reality	Strong YouTube following
Epic Rap Battles of History	YouTube	rap, comedy	11.5m subscribers on YouTube; Season 4
Formula Drift	Dailymotion	drift car racing	Great example of leveraging active online audience
Garden of Your Mind	PBS.org	remix	Nostalgic without being musty
Guy Martin's Passion for Life	Channel 4	short film series about racer	Channel 4 audience embraced character
House of Cards	Netflix	drama	Netflix break-out hit; raised unbundling issue
Idea Channel	PBS.org	factual	Strong talent-driven
Lizzie Bennet Diaries	YouTube	modern adaptation of classic	Genuine to YouTube vibe – but also to PBS mandate
Munchies	VICE	food shows with attitude	Immersive; longevity; large audience; Emmy award-winner
Orange is the New Black	Netflix	drama	Great example of how VICE makes a proven category relevant to their audience
PewDiePie	YouTube	personality, comedy	Netflix break-out hit
Red Bull Stratos	YouTube	live reality	Over 33m subscribers on YouTube
Rescue from Antarctica	Guardian	exclusive, topical reportage	Over 8m live streams on YouTube
Ripper Street	Netflix	period drama	Relevant to newspaper's content
Take this Lollypop	Facebook	horror movie	Built a loyal audience on TV
Transparent	Amazon	comedy	Short film and Facebook app award winner
VICE	VICE	destination OTT channel	Amazon's first scripted hit
Videogame Highschool	YouTube	videogame/comedy series	Great example of creating new content for valuable demographic
			Great production values; strong YouTube following

Appendix B: List of Digital-First Buyers Interviewed

Company	Country	Type of Platform	Name	Title	Contact information	Development criteria
Acorn Media Group	USA	Distributor/OTT	Matt Graham	VP, Acorn TV	MGraham@rjentertainment.com	Acorn TV streams UK content – no originals as yet but developing U
Amazon Instant Video UK	UK	OTT service	Chris Bird	Film Strategy Director	No unsolicited pitches	Long-form, proven talent
Amazon Studios	USA	OTT service				scripted
Bigballs Films	UK	Production/OTT service	Richard Welsh	Creative Director	richard@bigballsfilms.com	Soccer-based YT channel
BBC/iplayer	UK	Broadcaster/OTT	Tom Williams	Development Editor	http://www.bbc.co.uk/commissioning/whos-who/technology-and-online/tv-iplayer/	Youth and underserved audiences; open to coproductions
Blue Ant Media	Canada	Broadcaster	Raja Khanna	CEO, Television & Digital Executive Producer, Digital Video	raja.khanna@blueantmedia.ca alex.sopinka@blueantmedia.ca	Global content; 4k nature programming
CBC	Canada	Broadcaster	Richard Kanee	Executive Director, Digital	richard.kanee@cbc.ca	Pitch programming execs
CBC	Canada	Broadcaster	Michelle Daly	Head of Comedy	michelle.daly@cbc.ca	by division directly
CBC	Canada	Broadcaster	Paul Mcgrath	Senior Producer, Digital, Unscripted	paul.mcgrath@cbc.ca	
Channel Flip	UK	OTT service	Riyad Barmania	Creative Producer	enquiries@channelflip.com	100% brand-funded; open to coproductions
Channel Four	UK	Broadcaster	Richard Davidson-Houston	Head of Online	onlineproposals@channel4.co.uk	Entertaining factual shows
Conde Nast	USA	Traditional media company	Chris Willey	Head of Development	No unsolicited pitches	Specific to each magazine brand
Corus Entertainment	Canada	Broadcaster	Maria Hale	VP and Head of Content Distribution	Contact Programming Heads	
Corus Entertainment	Canada	Broadcaster	Sue Mackay	VP Digital, Women's and Family	sue.mackay@corusent.com	Factual storytelling
Corus Entertainment	Canada	Broadcaster	Caitlin O'Donovan	VP Digital Kids, Head Nelvana Digital	leah.wolfson@corusent.com	Assess age/demo relevance is it unique? Impact potential
CraveTV & CTV Extend	Canada	SVOD	Mike Cosentino	SVP, Programming	mike.cosentino@bellmedia.ca	Follow Bell Media producer guidelines
Dailymotion	Canada	OTT service	Enrique Soissa	Country Manager, Canada	Enrique.Soissa@dailymotion.com	Advertiser friendly, shareable, with pre-existing audience ideally
Fullscreen	USA	MCN	Ashley Kaplan	Head of Content	<u>No unsolicited pitches</u>	online celebrity critical
Guardian Media Group	UK	Traditional media company	Robert Hahn	Head of Rights and Content Acquisition	www.theguardian.com/help/contact-us	Factual investigation and lifestyle
Hulu	USA	OTT service	Jessica K Scott	Original Content Manager	<u>Submit via agent or legal rep</u>	30 or 60 min episodic
Independent Production Fund	Canada	Funder	Andra Sheffer	CEO	andra.sheffer@ipf.ca	Demonstrated market demand
Netflix	USA	OTT service	Ian Bricke	Director, Content Acquisition	ibricke@netflix.com	Wide range of genres; pitch via agents/lawyers
PBS Digital	USA	Broadcaster	Tom Davidson	Senior Director, PBS Digital	tgdavidson@pbs.org	Content relevant to PBS education, arts, cooking
Red Bull	Canada	Brand/OTT service	Jason Ford	Former EP, Moving Images, Toronto	jason.ford@redbull.com	Content that fits Red Bull philosophy
Shaw Media	Canada	Broadcaster	Christine Shipton	SVP, Content	<u>No unsolicited pitches</u>	1-2 digital-first originals per year
Starz Digital - Union Pool	USA	OTT service	David Katz	VP, Digital Media	No unsolicited pitches	Interested in creators with an audience
VICE	Canada	OTT service	Ryan Archibald	Managing Director, Vice Media Canada	ryan@vice.com	Any concept that fits VICE tone & positioning; Jason Ford recently appointed VP, Programming
Videojug Networks	UK	MCN	Paul Jackson	Consultant Content and Channels	paul.jackson@videojug.com	14 channels of content; comedy, lifestyle, etc.
Vimeo	USA	OTT service	Sam Toles	VP, Content Strategy/Biz Dev	sam@vimeo.com	Any genre but must have demonstrated audience
Wildseed Studios	UK	Production	Jesse Cleverly	Creative Director	www.wildseedstudios.com/creators/	Genre; adult comedy; kids 6 to 11; adult animation

Catherine Tait: Project Leader

Catherine Tait is a founding partner of Duopoly, an independent entertainment company that has provided business development services to the media industries in Canada and the United States for the past ten years. Catherine has been engaged by a range of organizations including the Canadian Film Centre, Tribeca Film Institute, Telefilm, the Canada Media Fund and the NFB, to develop strategic plans for digital and multiplatform transformation. In 2006, she founded iThentic, named Digital Company of the Year by Playback in 2012, which produces and distributes digital properties. She is also active in the production of feature films, television and multiplatform properties, most recently with GUIDESTONES, an interactive thriller which won an International Digital Emmy, and SPACE RIDERS, a comedy starring Mark Little. Both are currently streaming on Hulu and CTV.ca.

Catherine has over 25 years of experience in the public and private sector media business, in a variety of senior executive roles on both sides of the border. She was a director of the Board of Aliant, Atlantic Canada's telco; a director of CHUM Ltd; a director of eOne's Canadian Board; and currently, serves as a director and co-founder of a broadcasting venture, Hollywood Suite and as a director of DHX Media.

Al Cattabiani: US Industry Expert

Al was President/CEO of Wellspring Media, a company he co-founded in 1993 and sold in 2004. Wellspring was a leading independent distributor – worldwide, in all media – of arthouse cinema and programming promoting holistic living. Its library of over 700 titles included many Oscar, Emmy and Grammy winners. Wellspring investors enjoyed excellent returns on two separate buyouts. Before starting Wellspring, Al served as President and Chief

Operating Officer of Los Angeles-based Pacific Arts Corporation, where he helped create the PBS Home Video label. He serves on the board of the Global Film Initiative, a non-profit foundation to assist filmmakers in developing countries.

Al co-founded iThentic with Catherine in 2006. He also served on the board of Acorn Media Group, until its recent \$100m+ acquisition by RLJ Entertainment.

Nicholas Moncrieff: UK Industry Expert

Nicholas Moncrieff is a London based business consultant specializing in digital channels, rights and distribution. His career has covered most of the new developments in the content industry, from video publishing to satellite channels to online and digital. Nicholas has founded several start up companies, including the pan-European satellite arts channel Performance, selling some and participating as a key person in others. He has worked for Sky Television, the Daily Mail Group, VCI plc and the European Broadcasting Union. He provides a range of services encompassing, legal, financial, planning and research. Most recently he has been a contributing analyst at the Informa Group. He holds an MA in Philosophy, Politics and Economics from Oxford University.

Catherine and Al have collaborated on several digital media research studies for the CMPA including:

[April 2014 - *Branded Entertainment: A New Production Financing Paradigm – 3 white papers: The Future of Branded Entertainment*](#)

[The Canadian Experience; The Branded Entertainment Landscape](#)

[February 2013 - *Discoverability: Strategies for Canadian Content Producers in a Global Online Marketplace*](#)

[February 2012 - *Content Everywhere: Mapping the Digital Future for the Canadian Production Industry*](#)

[June 2010 - *Towards a Framework for Digital Rights*](#)