

GLOBAL MEDIA JOURNEYS

FOR PERSONALISED INTERACTIVE AUDIENCES

A presentation for multi-platform TV production 5 May 2006



- **GARY HAYES**
- BBC from 95-04 as **Senior Producer and Development Manager**, BBC UK
- Chaired Business Models Group of TV-Anytime 99-03 (International Personal TV & on-demand standard)
- 2004 in West Coast USA devising/producing new on-demand formats with networks, AFI, Showtime & **consultant to UK**
- Now **Director of the Laboratory of Advanced Media Production** with AFTRS in Sydney



KEY THEMES OF MY TALK

The fragmenting, participating audience

How content providers are responding

New business models

The networked TV revolution

main theme though...





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Mistakes are the portals of discovery

James Joyce (1882 - 1941)



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Quick quiz.

What service is this?



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Our video on demand system means that you can watch the movie you want, when you want. You can choose from hundreds of films from almost every genre imaginable - from the latest Hollywood and Bollywood blockbusters to timeless classics, world cinema, musicals, animation - with many titles also available in Arabic and Japanese.

Stocked with literally thousands of tracks, it has something to suit any taste, no matter how individual. From classical to rock, showtunes to pop, it's all here. Ever wondered what the UK number one was in the week you were born - Simply enter the date and the ICE system will not only tell you, it'll let you listen to it.



Stay in touch wherever you are with our satellite telephone system. There's the ability to send and receive inflight e-mail and SMS messages via on-screen seatback keyboard, with laptop connectivity over an onboard wireless LAN planned for the near future.

Quiz question 2 of 2 - Guess the year?

From a 'confidential' BBC New Media strategy paper...

- the BBC will have to be prepared for an online world with the mobile phone as the hub
- consumers are ready for programmes with online/interactive elements - BBC must create compelling cross media content for the more sophisticated internet user
- In the US 'Survivor' had an audience of 40m for the final episode...live screening on the internet
- Channel 4's 'Big Brother' programme ...bringing communities together to view programmes online before they go out on TV
- and the answer is
- **AUGUST 2000!**

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Mark Thomson, DG BBC - BBC Creative Futures 25 April 2006

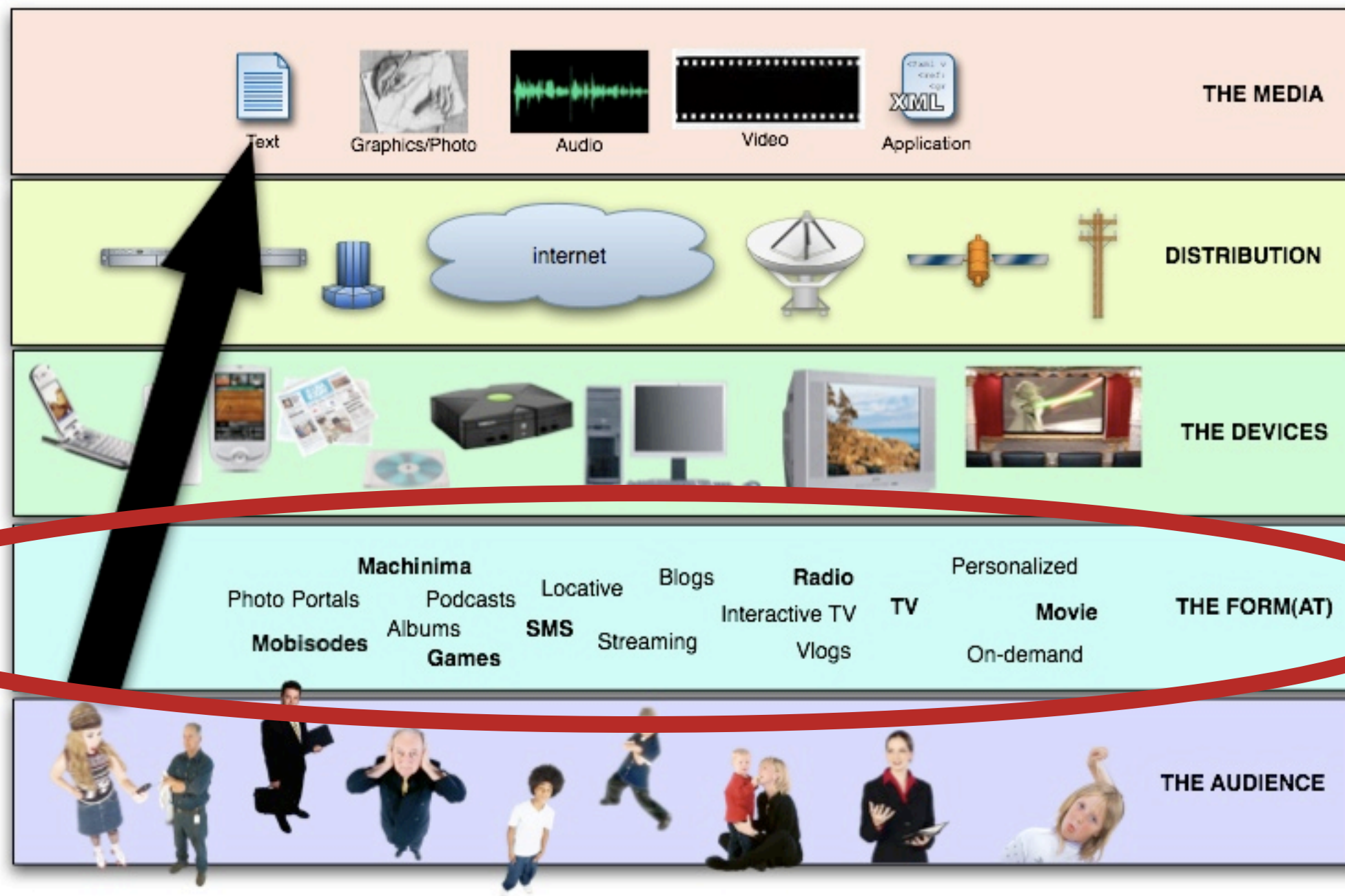
On-demand may be regarded as the 'third age' of broadcasting.

- **First age** – this consisted of limited choice of linear channels on TV and radio. It began in 1922 with the first BBC radio services, and for television in 1936 with the first transmissions of what became BBC One.
- **Second age** – linear channels, great choice: this started in 1989 with greatly expanded choice on TV from BSB and Sky, and then 1995 saw the arrival of digital radio.
- **Third age** – on-demand: this is the fully digital world where on-demand is a mainstream way in which people consume video..individuals seek content that feels **more personally relevant**.

<http://www.bbc.co.uk/thefuture/related.shtml>

THE MEDIA UNIVERSE LAYERS

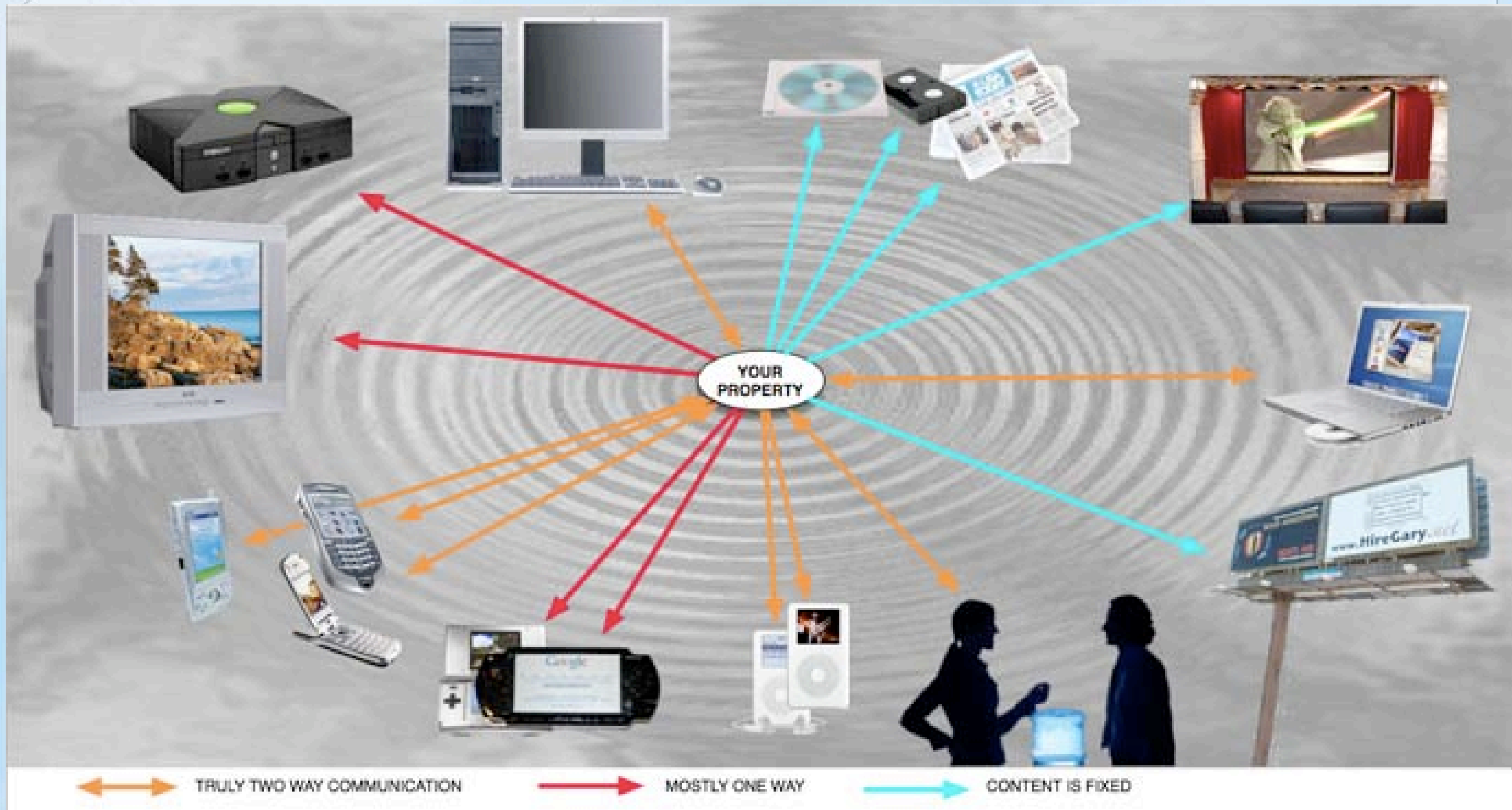
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The Personalised Fragmented Audience



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THE FRAGMENTING AUDIENCE

“Viewers in these homes are spending more time with targeted channels and so there are far fewer instances of programmes uniting large numbers of people across the nation. For example, in 1994 there were 182 UK television programmes attracting more than 10 million viewers. By 2004, the number of such programmes had dropped to 19”

source BBC





The British now spend more time on the internet than watching television - an average of 164 minutes online daily compared to 148 minutes watching tv

70% of consumers use media simultaneously

34 million blogs worldwide, doubling every 5 months

SIMM Usage of TV and... Web 60.1%, Mail 66.3%, Newspapers 55%, Magazines 51.8%

60% of people in Europe watch video on the web

“There will soon be millions of markets of hundreds vs hundreds of markets of millions.” *Tony Surtees*

If more viewers are on broadband, TV follows



The tipping point

"I think anyone who loses is anyone who tries to protect their traditional business. I think you've got a bad 10-15 years ahead of you if you try to do that"

Peter Chernin, COO News Corp

SMS, vote and gambling TV needs to evolve!



?



THE TRUE REVOLUTION IS USER DRIVEN

Technical Revolution

- Bandwidth, storage, processing, codecs, portability

Business Revolutions

New marketing, viral, distribution, digital sales, cross-media advertising

Social Revolutions

- Web 2.0, people publishing, UGC, blogs, vlogs, podcasts, rss, picture and video portals



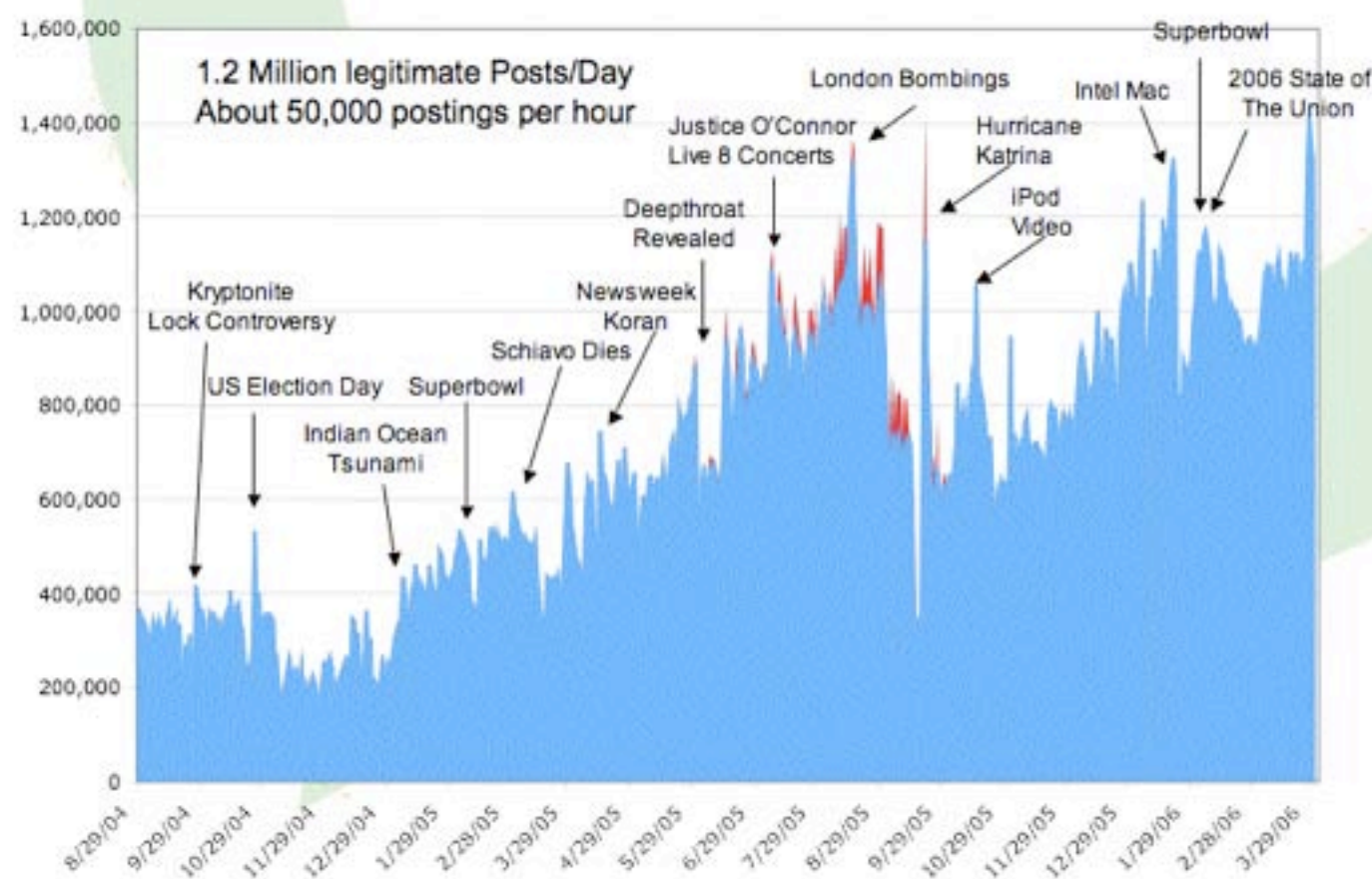
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**Weblogs Cumulative
March 2003 - April 2006**

Technorati

Daily Posting Volume

Technorati



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WHAT AUDIENCES WANT?

The first International Interactive Emmy Awards nominees



CULT TV - France

relevant quote:

“The reason we were all struggling to identify new business models is because the audience hasn’t told us what they are yet. TV will continue to grow, but we need to rid ourselves of past expectations of what that means”

**Gary Carter, CCO
Freemantle**





BLOGS

- One **blog** created every second, there are over 32 million worldwide and it doubles every 5 months. 27% of all internet users read **blogs**
- The Vice President of **General Motors** runs a **blog** and he is already having a direct relationship with his customers
- Gizmodo (a gadget blog) has enormous power and can **make and break** a product even before it is launched
- **Social currency** - links to your blogs, comments on your blogs, subscriptions
- The RSS (really simple syndication) element that can follow blogs - 1.2 million posts a day, you can track using RSS
- 13% of those who read blogs want to receive blog type messages from marketers - **they want a personal relationship**



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Steve Garfield's Video Blog

The Carol and Steve Show - Episode 35: The Fenway Park

ABOUT

AKIMBO

...n to Fenway Park in Boston to hear
...ere on the first stop of their 2005 US

AKIMBO
your wish is on demand



3 MONTHS FREE AKIMBO SERVICE
+ 30 DAYS RISK FREE Money Back Guarantee

Requires monthly service fee

What is Akimbo?

Watch digital quality videos
on your TV delivered over your
broadband Internet connection.

What's On

Over 3,000 programs available
whenever you want: Movies,
Sports, Anime, Independent Films,
Music Videos and more. Explore
programs from a broad spectrum
of partners like A&E, iFilm, BBC,
How To Web TV, National Geographic,
Underground Film and The History
Channel—and many more.

Buy Akimbo!

Enjoy what you want, when you want
and with total control.

Download Video to Your TV with Akimbo



Many More

CLICK HERE TO WIN
A FREE AKIMBO PLAYER!

AKIMBO
Your wish is on demand

Steve Garfield
Now Playing On
Akimbo



www.akimbo.com

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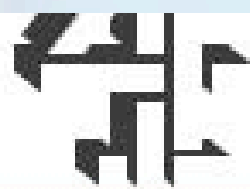
A NEW GENERATION IN AUSTRALIA

- 53.3% of under 24yr olds say they use internet to watch video vs 27% of those who are older
- Australia leads the world per capita in illegal downloads of TV over broadband
- Over 84% of 7-17 year old Australians own a game console – Nielsen 04
- More than 90% of Australian kids aged 6-9 have used a mobile phone - McNair



Viewers want to be in control – the audience will decide

- 500 million broadband users worldwide (40% broadband penetration in US)
- Nearly half of online consumers are watching video online, according to Forrester Research,
- Video consumption on the internet up by 40% in the US. AOL and 60% of people in Europe watch video on the web
- 3rd of planet have mobile devices - upgraded every 21 months, ubiquitous global 3G in 5 years time
- and vLogging is really on the increase - mostly thanks to you Tube and...



search

NEWS

FILM

HOMES

LIFE

ENTERTAINMENT

HISTORY

SCIENCE

COMMUNITY

SPORT

CULTURE

CARS


MONEY

VIDEO

LEARNING

HEALTH

MUSIC

 **four docs**

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documentary

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FOURDOCS

Anyone can make a FourDoc, it just has to be fact-based and four minutes long.

Upload your documentary now, or visit the **guides** to learn how to get started with advice on planning, shooting, editing and compressing your film.

Get your film seen by a **Commissioning Editor** at Channel 4.

Find out what the **Commissioners** thought.

FourDocs wants your films.

Newest ads

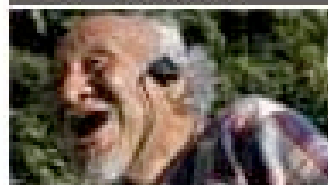
1. Last of the
2. 'B' Road
3. The Mor
4. Heseltine
5. Dr Loo a

LATEST BLOG 10.3.2006

FourDocs has a rest tomorrow

[MORE >](#)

GET FEEDBACK



Get your film seen by a **Commissioning Editor** at Channel 4

[MORE >](#)

WATCH ARCHIVE FILMS



Watch classic documentaries for free in the FourDocs Archive

[MORE >](#)

TOP FIVE GLOBAL VIDEO DISTRIBUTION PORTALS

- 5 Yahoo
- 4 iFilm (Viacom, mtv)
- 3 Google
- 2 YouTube (*less than a year old*)
- 1 MSN Video



Traditional iTV moves onto broadband



To use a simple syllogism:

- 1. Audiences are fragmenting across digital platforms
- 2. Content aggregators want to reach those audiences
- 3. Content aggregators need to fragment their content

Audiences are trending towards portability, personalisation and interactivity

It's all about reach

'content producers perspective'

Internet portals meet the broadcasters

- **The Opportunity**

“one thing we have not seen yet is an online entertainment franchise, we see a lot of funny clips that are shared virally but the brass ring we are all grabbing for in the next 12 months is can we take this model of appointment viewing where people start to **create a new kind of content and bring it online?** That excites advertisers, that excites users. That needs a network. We are going to be there to port that to the online experience”

- **The Danger**

“I tell them we can help them. We can help feed their existing business to get more butts on seats watching TV shows. But I also tell them that I hate the fact that they are holding on in such a miserly fashion to the internet rights. Many believe they are going to be the next great portal themselves...**but I plan to begin telling them that if they don't work more cooperatively with some of us portals and new distribution networks we will be forced to go directly to the content providers** and build out a whole new category of entertainment on the web that is very powerful”

- ***Joe Michaels, Director Bus Dev of Entertainment and Video Services, MSN***



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CONTENT PRODUCERS CROSS-MEDIA NIGHTMARE



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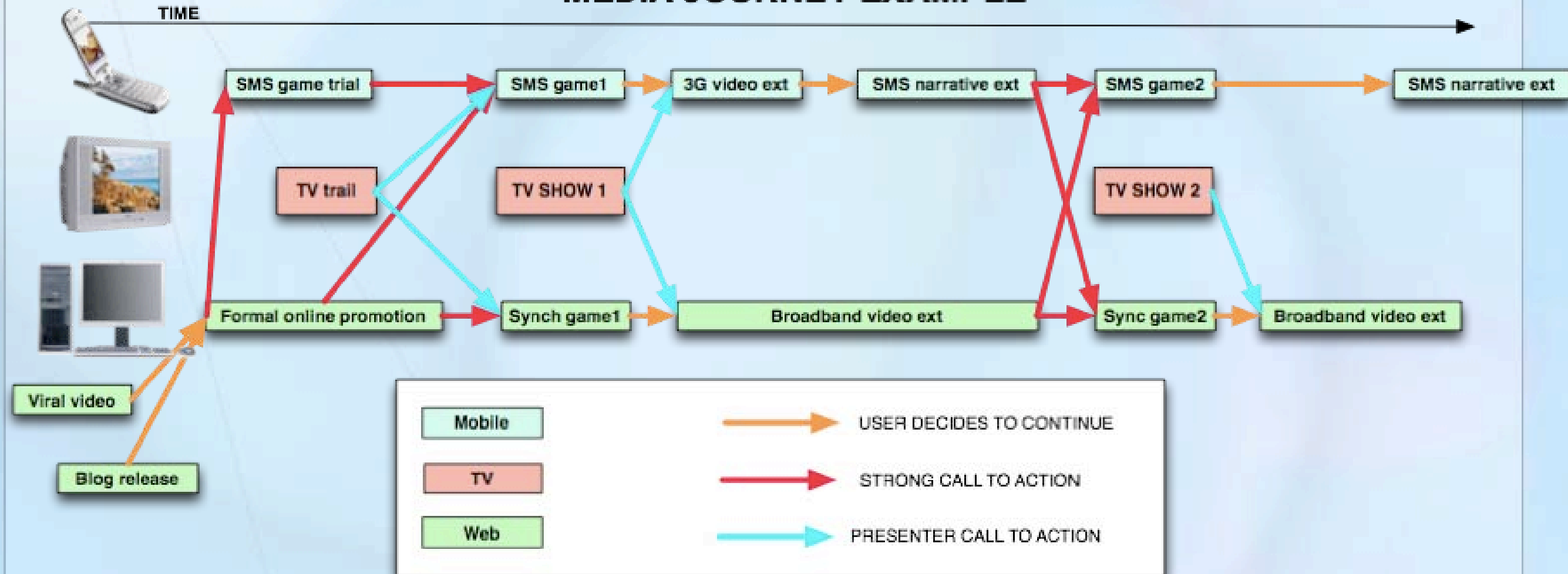
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MEDIA JOURNEY EXAMPLE

TIME



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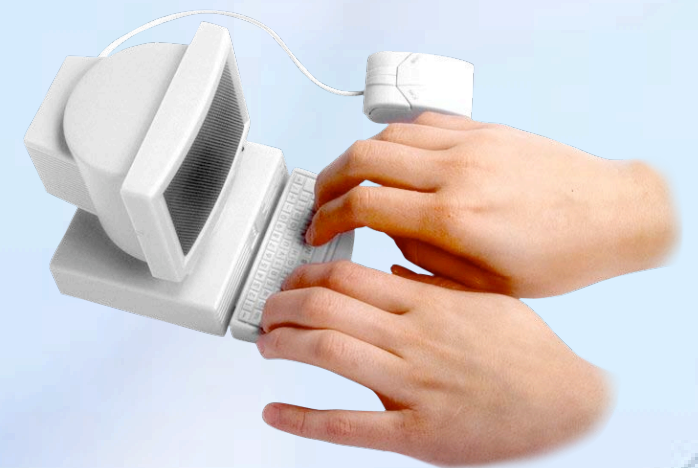
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The broadcaster/producer evolution to viewer participation needs

1. More sms or phone vote ins to shows
2. More web forums, chart votes and online chats
3. Live interaction via iTV or online synch
4. Small amounts of content delivered via website
5. Integrated requests for viewer content
6. More traditional shows showing actual viewer content delivered via the web
7. Full shows delivered via the web
- 8. Integrated cross-media shows**
- 9. Complete channels all with embedded interactivity delivered on-demand**



It is not sustainable to throw the same content on other platforms

It is not enough JUST to simply put your existing content onto new platforms.

New markets such as 3G need tailored content “made for mobile”



AUDIENCES WANT TO PARTICIPATE

- BBC received 1 million mail or voice contributions from viewers during the whole of the Gulf War (91)
- They now receive text, image and video amounting to 1 million items per day!
- They now serve equivalent of 20 000 channels per second via the web



What moves to broadband must be exclusive content



Fanisodes “People Powered Entertainment”

Showtime’s ‘**L Word**’ have allowed viewers to write the episode

Ratings went up by 51%

The site logged 175,000 visits and over 3,000,000 page views.

“After seven exciting rounds,
1,258 scene submissions and
over 124,000 votes and 30,000
comments, almost 20,000
L Word fans have collectively
created the world’s very first
Fanisode”



THINK

Not - if a person will watch your 2 hour film or TV show on the video iPod, or on a PC. BUT - what kind of **NEW** service will 'engage' them for two hours on these devices

"That for me is the definition of modern entertainment in this environment. You need to make a gesture towards the audience, the audience will pick up that gesture up and start to explore the possibilities. So rather than being producers of entertainment you should consider you are more like curators in this kind of environment – that's a very, very significant paradigm shift..."

Gary Carter, CCO Freemantle



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TRULY TWO WAY COMMUNICATION



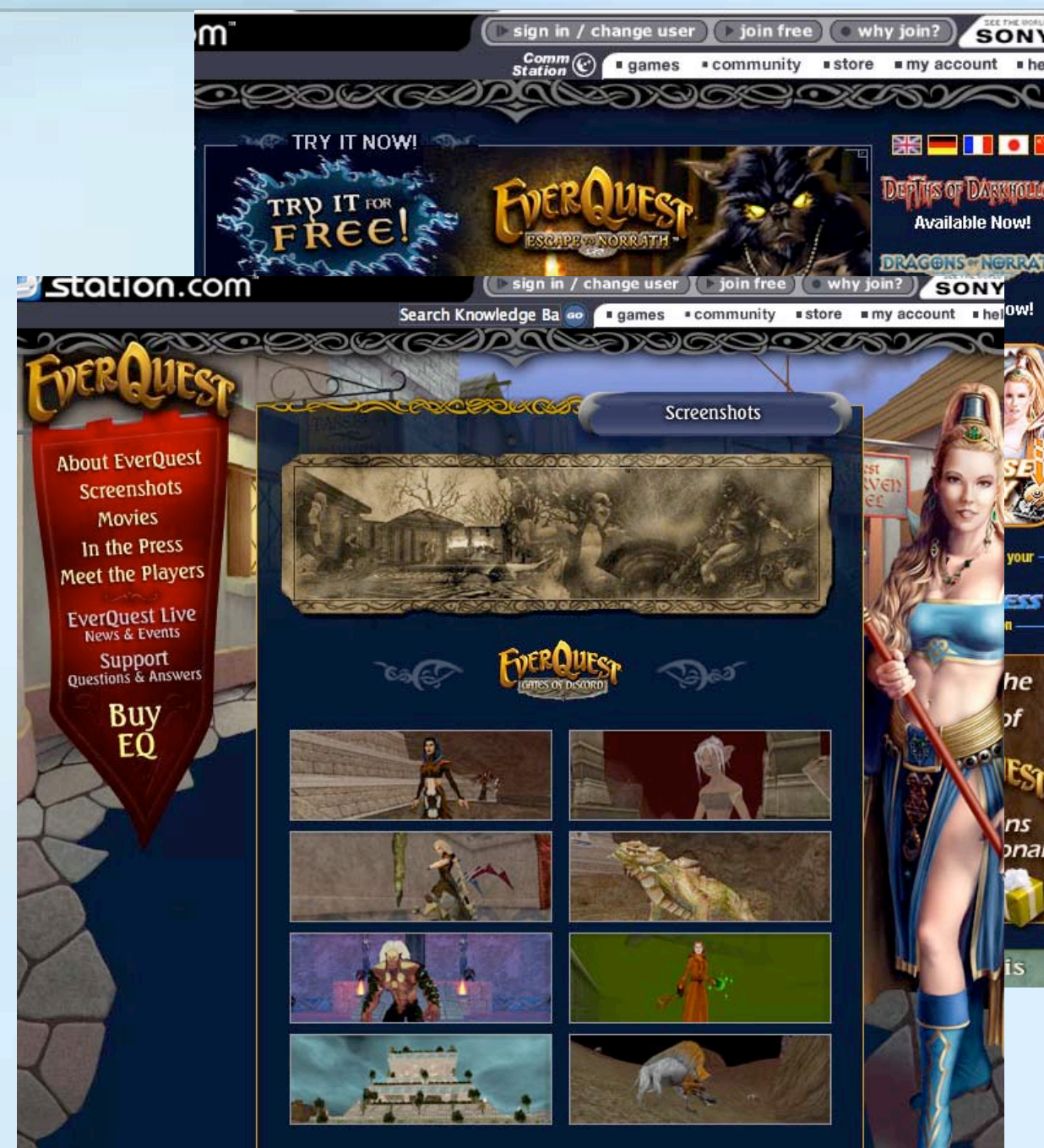
MOSTLY ONE WAY



CONTENT IS FIXED

THE RISE OF MMORPGS

- Around 9.5 million hooked players paying \$10US per month
- Total revenue **\$1.2 bill US per year**
- **Other games stats**
- In the next 4 years games will surpass music sales
- Already console games are bigger than box office at \$10bill US
- Sales of virtual property inside RPGs at \$100mill US!
- *Mmorpg = massive multiplayer online role player games*



Alternate or Extended Reality Games/Advertising

- Lost, Gold Rush and Da Vinci Code using these techniques
- Key examples: ReGenesis, Lost, Art of the H3ist (AudiA3), I Love Bees (Halo2), Perplex City, What is the Secret? - reaching audiences of 5 million +

The Beast (MS and Dreamworks) to promote, part of the AI feature experience.

- Global audience of 3 million people (evenly male and female)
- With 'well over 300 million impressions through coverage in mainstream media such [as] *Time*, *CNN*, and *USA Today*
- Awards: Best Idea (New York Times Magazine) Best Website (Entertainment Weekly) Best Advertising Campaign (Time Magazine)
- source: Christy Dena, cross-mediaentertainment.com



"I'm not a TV producer anymore, I'm a content producer...we are not turning our back in this endeavour on mainstream TV networks or on publishing empires, we will use magazines and television to support and work together to create cross-platform media."

"Gold Rush" is a "game changer. We're going to galvanize the world"

Mark Burnett
milia 3 weeks ago





Networked content revolution



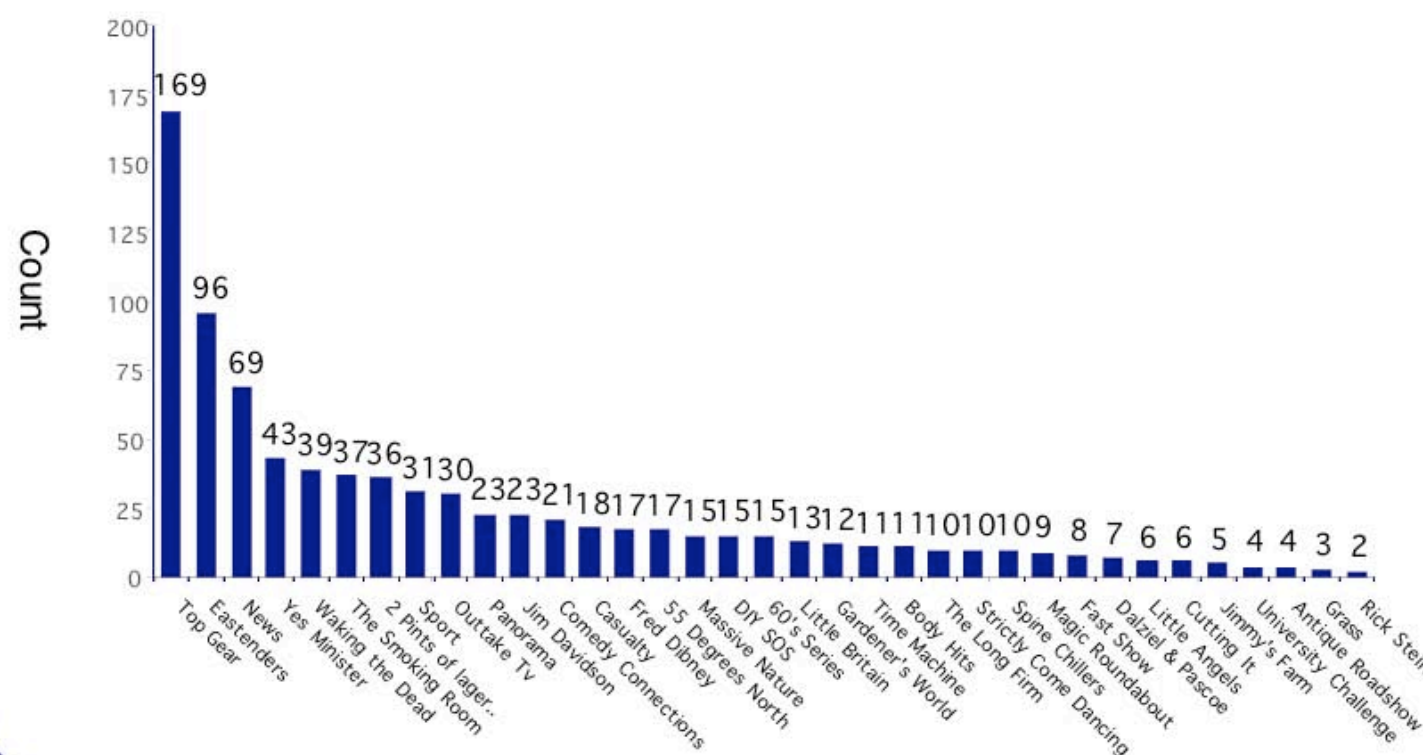
TV Evolves



The BBC Archive -
50 years of TV
content available
anytime, anywhere -
how do viewers find
what they 'think' they
want?

CONFIDENTIAL**MC&A**

Audience & Consumer Research

Programmes Downloaded

September 2004

© BBC 2004. All Rights Reserved

IMP Feedback



BBC iMP integrated Media Player

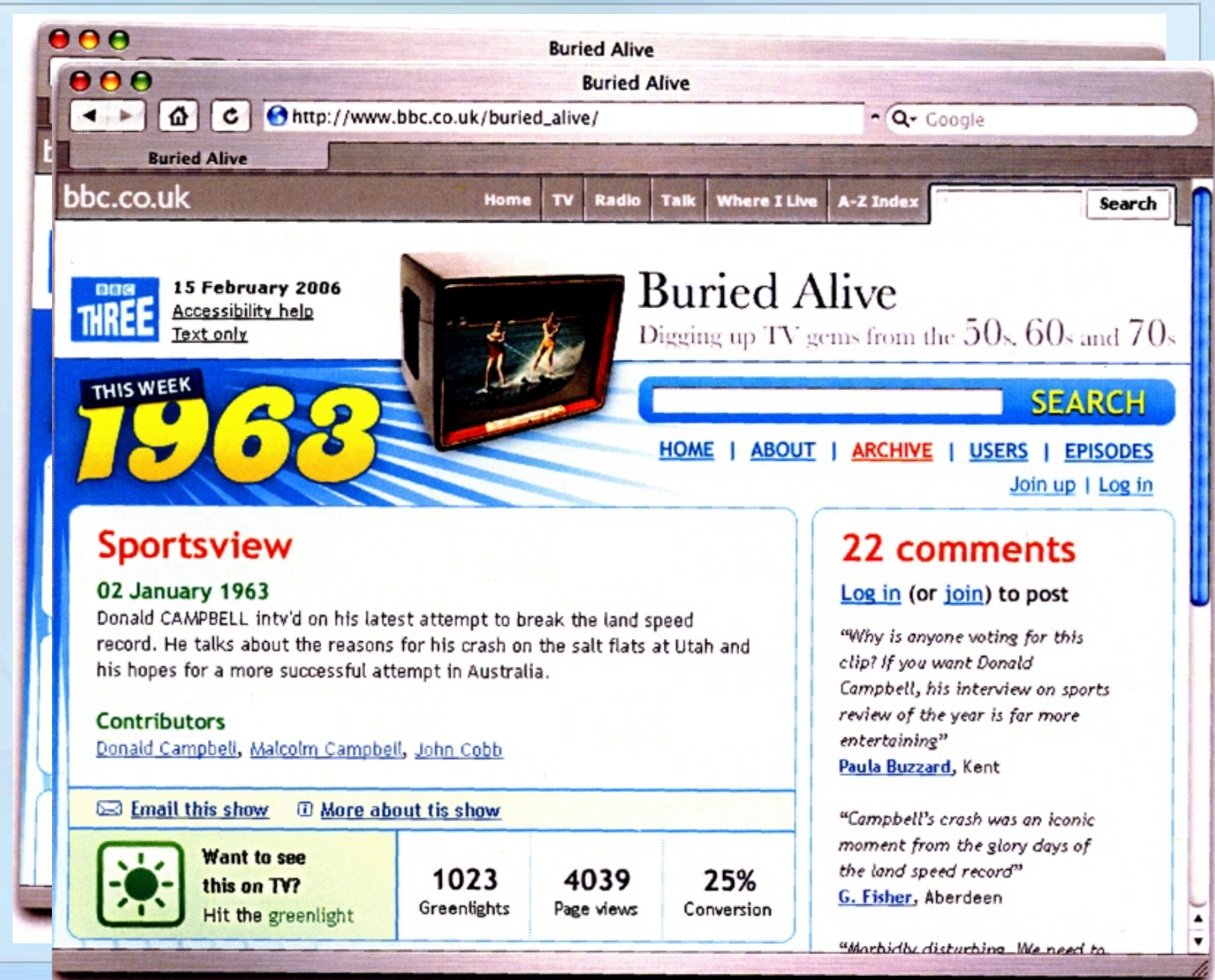
- The 5,000 users downloaded 150,000 programmes during the four month trial
- Appealed equally to male and female users.
- Comedy, drama and docs the most popular.
- Equivalent to 6% of all BBC viewing in a typical household.
- The trial reflected the 'long-tail' effect - every programme was consumed by someone
- Around a third of the users watched a programme about which they had not previously known



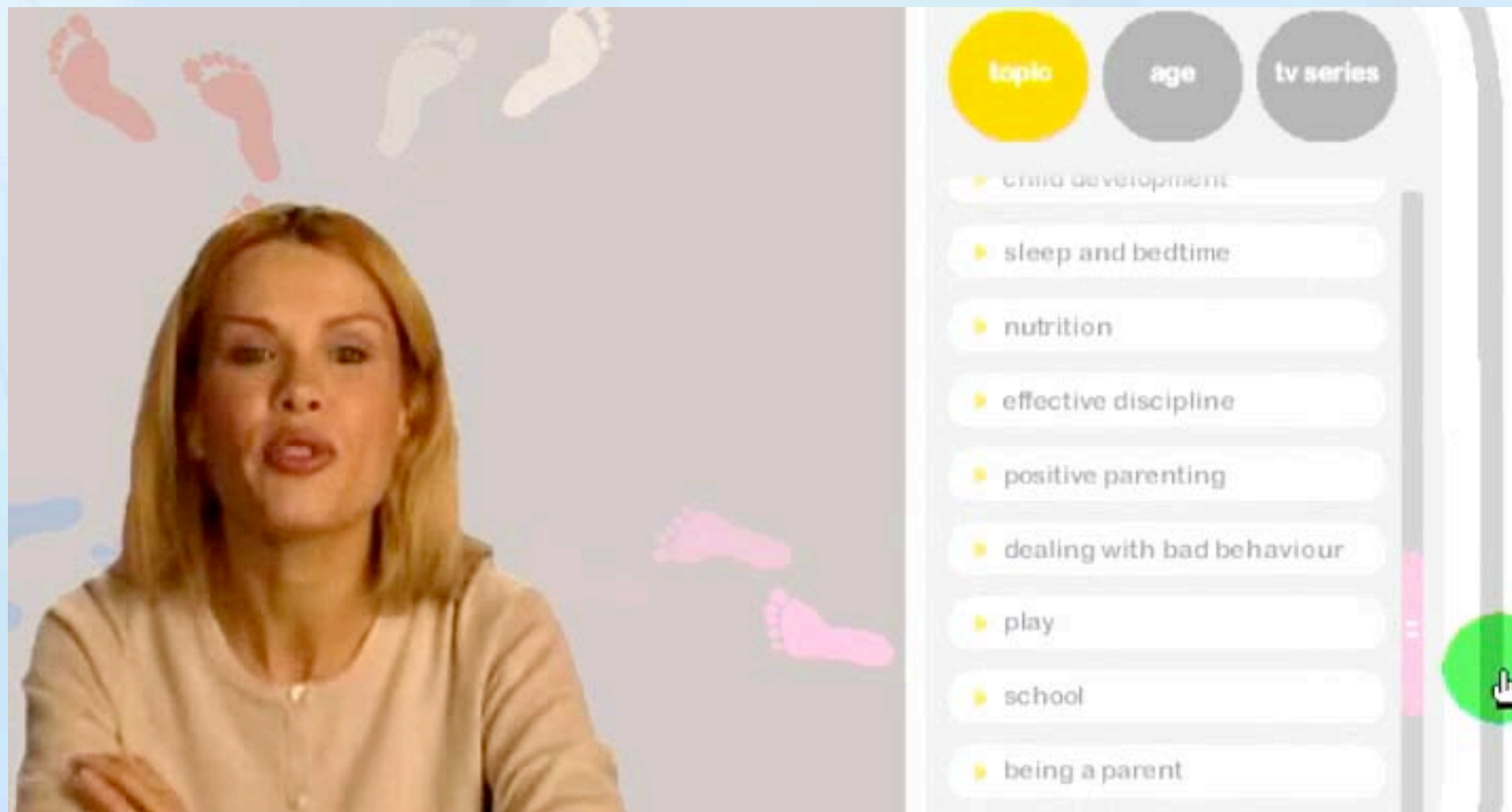
“There has been no real demonstration that the long tail would work in television. Who knows what proportion of overall television consumption the long tail could account for.” Ashley Highfield, Dir New Media BBC

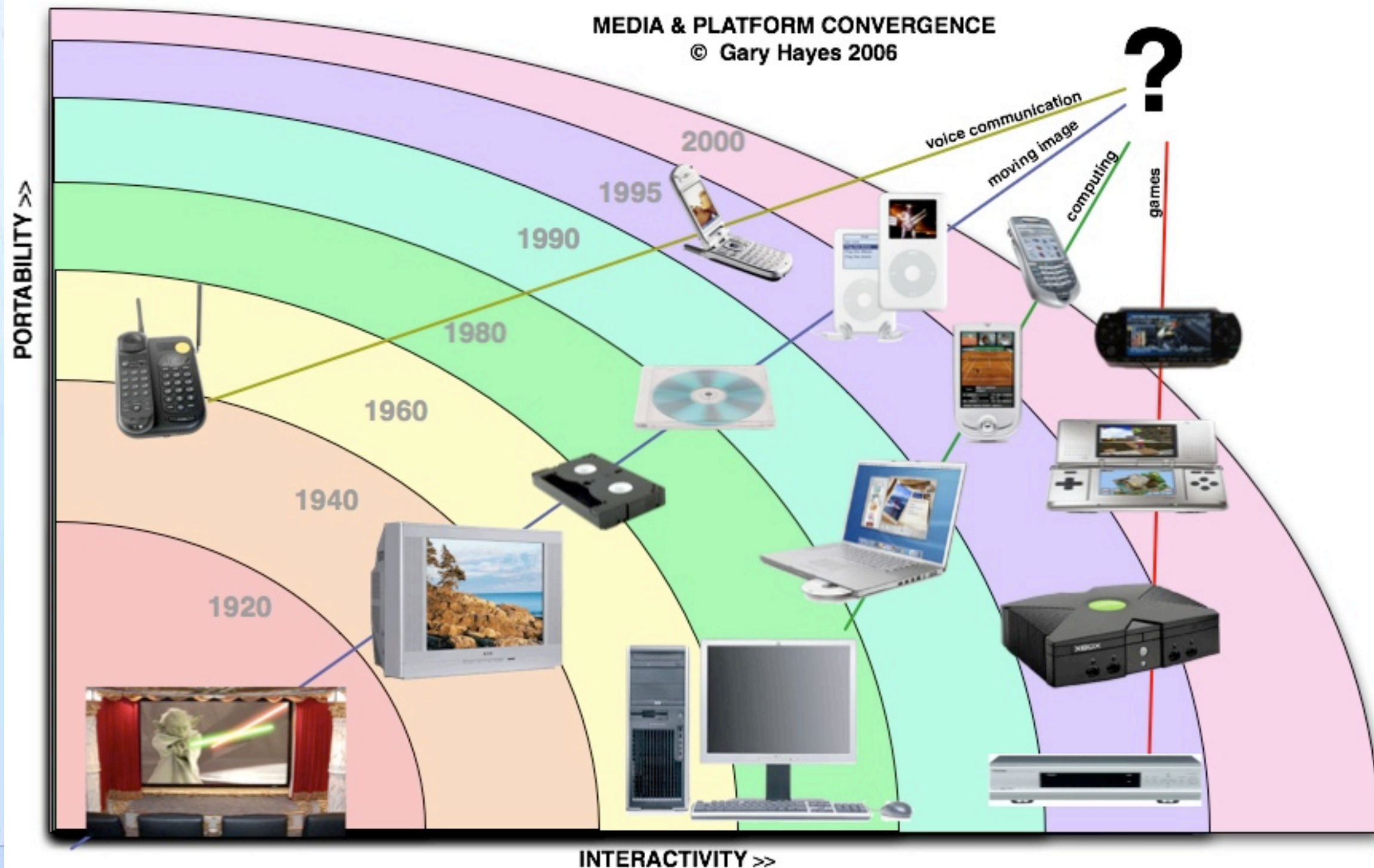
BURIED ALIVE

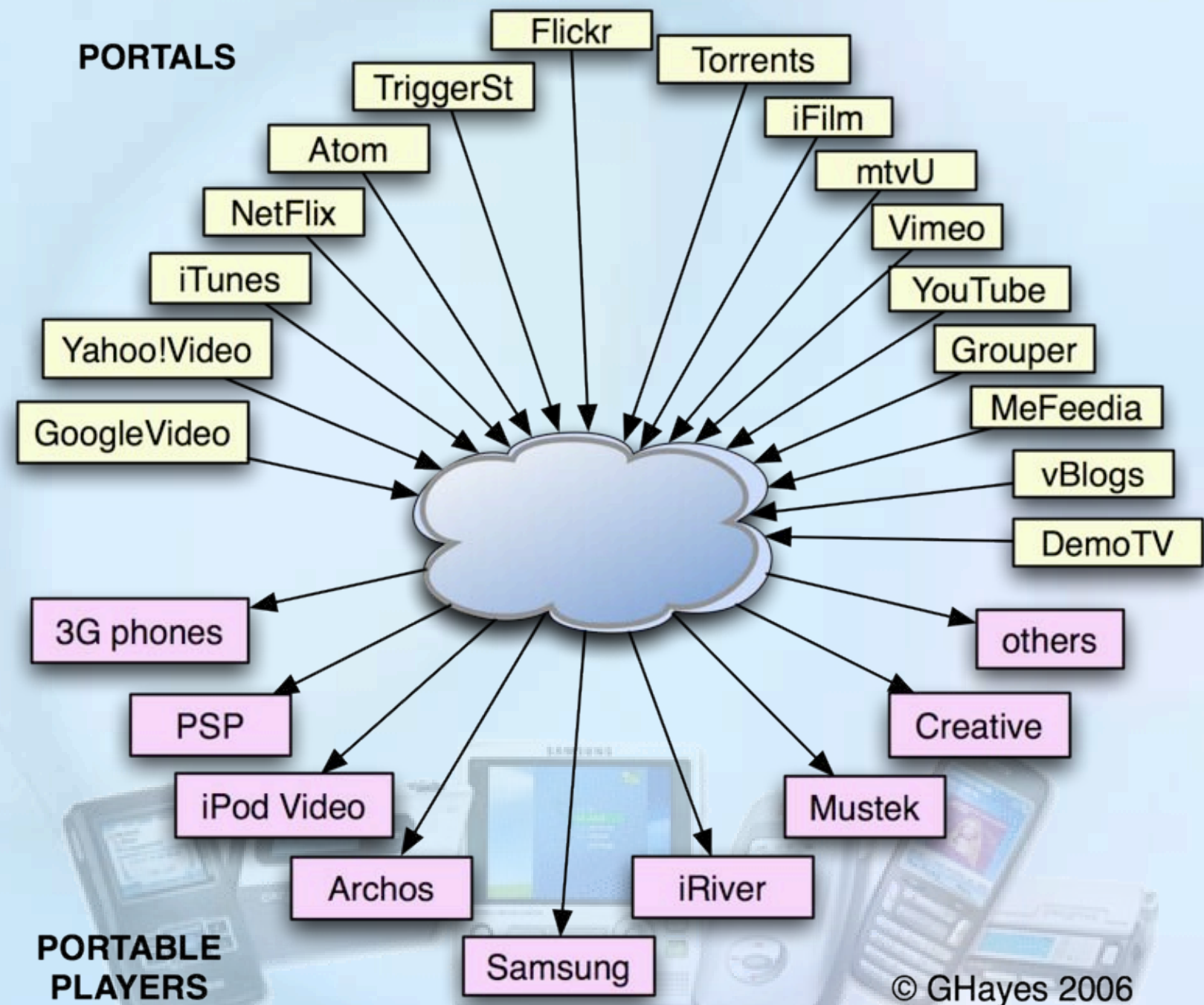
- Wisdom of the crowds to decide what is important in the BBC archive.
- Pitch winner 360 content, Milia 2006. "MintDigital"



Broadband must be under the control of the user







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THE PORTABLE VIDEO REVOLUTION?

- iPods 40% of market in US (fastest consumer selling item ever)
- 42 million iPods (3 mill video) sold by Jan 2006
- 1 billion music tracks sold, 14 million videos
- ABC get \$1.20 per \$1.99 sale
- *Disney's partnership with Apple Computer Inc.'s iTunes Music stores has produced "upwards of 7 million downloads" of Disney TV shows and movies, Bob Iger, CEO Disney*
- BUT HOW SUCCESSFUL IS IT REALLY?
- Average iTunes user aged 14 years
- Only 23 songs bought per device
- Only 5 videos per device



So are there any business models?



On advertising revenues (Mark Burnett):

- "I bet at the end of May, the season will be flat, and next year and the year after, it will go down a bit and then a bit more,"
- "My kids don't know what a TV network is anymore. They watch one channel -- TiVo. It's quite frightening to look ahead."
- "Today there are 12 million TiVo-type devices in use. In five years time there'll be 70 million. So 60% of people are not watching the ads. There is a big problem coming. And if advertisers aren't buying ads on my TV shows, I'm in big trouble."
- Reasons to get involved in personalisation techniques and targeting now!...



CROSS-MEDIA ADVERTISING - OLD AND THE NEW?

- Today (2005) about 5 ~10% of user time online is spent searching
- yet about 40-60% of online media dollars are spent on keyword buying
- 30% of all media time is spent exposed to more than 1 medium at a time
- New users can fit 44hrs of activity into one day
- In-game ads, yesterday Microsoft bought Massive



TV content via the open internet

Size of market \$3 billion by 2010 in US, Europe Japan
The biz model is advertising driving this market - \$620
million by 2010 in Europe mostly from advertising
Screen digest



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bring your home to life from just **£14.99** a month

for the first 3 months,
then from £17.99 a month.

1Mb broadband

Don't hang around – 1Mb high-speed broadband gives you instant access to web pages, emails and sound files, and there's no need to unplug your phone when you go online. You get 12 Homechoice email addresses and 100MB webspace as standard. For even faster connection you can upgrade to 2Mb or even 8Mb. Plus, if you opt for wireless, you can enjoy internet access from around the house.

2

digital tv

There's something for the whole family with over 50 great digital television and radio channels through your TV including:



Enjoy Sky Movies and Sky Sports direct from Sky for an additional monthly fee.



3

free calls

Enjoy free calls* – so you can tell all your mates what they're missing. You'll still pay your usual line rental to BT.

4

video on-demand

Over 1,000 films to 'rent' any time, which you can PAUSE, RWD or FFWD just like a DVD.

Plus, **Homechoice Replay™** lets you watch some of the most popular BBC and ITV1 programmes on-demand for up to 7 days after they're first shown.

call **0800 072 4493**
and ask for our 1Mb Base Pack or visit **homechoice.co.uk**



Lines open 8am to 11pm, 7 days a week. Calls may be recorded and used for quality & training purposes. Offer open to new subscribers only. Not to be used in conjunction with other offers. Offer ends 31st October 2005. Broadband speed is up to 1Mb downstream. *Free calls are optional and apply to calls to all area codes starting 01 and 02 excluding calls made between 8am-6pm weekdays. Charges apply to movies, additional packages and some channels. Channels include broadcast and on-demand. Special offer £1 installation (standard installation £48). Subject to terms and conditions, 12 month contract and local availability. Homechoice is a trading name and registered trade mark of Video Networks Limited, 205 Holland Park Avenue, London W11 4XB, registered in England & Wales No. 2740910. C084-INS A.TMWC/OCT/05.V1



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Advertising in cross-platform TV:

‘It is not about selling content!’

- Advertising supported – **content makers need to work with and for the advertisers**
- What people are paying for digital content is still a very small proportion. Most of the revenue is generated from advertising almost an 8 to 1 ratio.

Three weeks ago...

Prime time is all the time – advertisers will pay for this

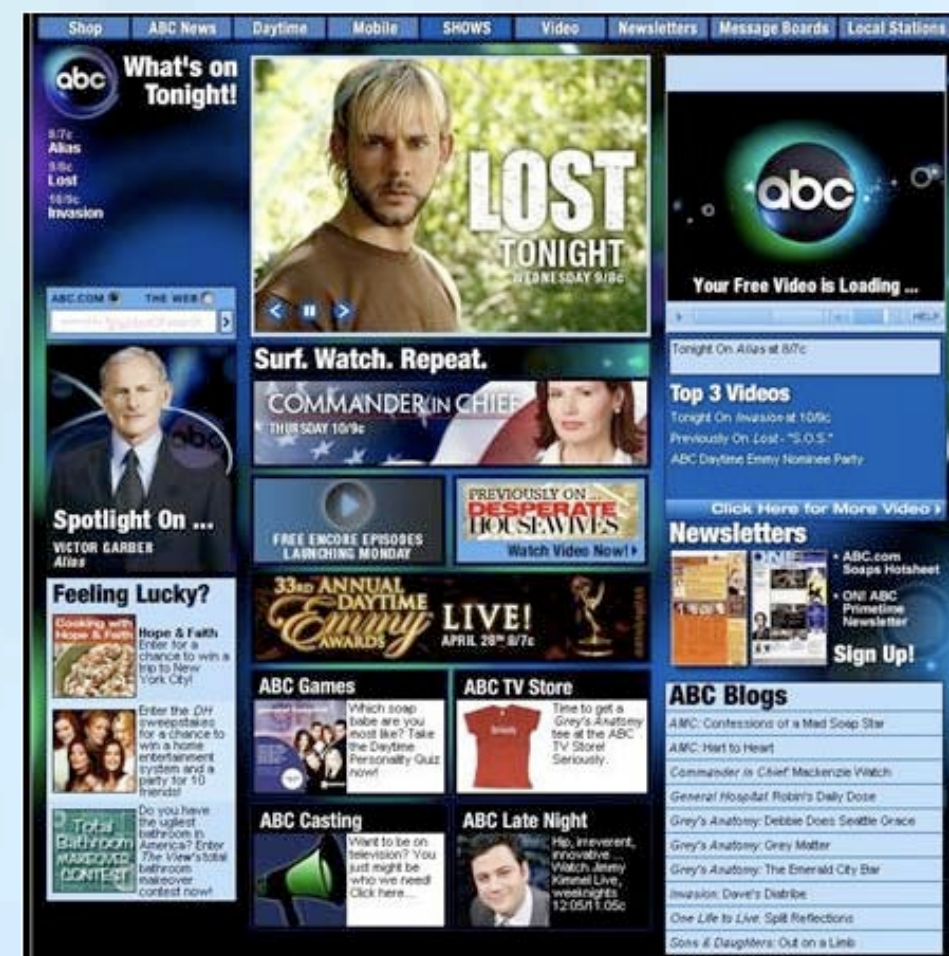
- ABC prime time on demand. The offerings will also include current episodes of "Commander in Chief," as well as the entire season of "Alias," and will be available through June.
- The shows, being offered by the Disney-ABC Television Group, will be supported by advertisers, including AT&T Inc., Ford Motor Co., Procter & Gamble Co., Toyota Motor Corp. and Unilever PLC, among others.

Advertising and web on-demand?

LAST WEEK ABC USA ANNOUNCE AD MODEL

For all prime time shows delivered via broadband

- Only three of the five commercial breaks built into episodes for broadcast television will be used in the online version
- Viewers will have to watch or click through ads to get to the next segment of the program.
- Some ads feature interactive games, coupon offers or product information that engage viewers longer.
- There is the option of clicking out of the advertisements and returning to the program after 30 seconds
- By the time ABC presents its new fall schedule on May 16 in New York, Disney will have two weeks' worth of data showing how consumers are responding to the online ads.



- The media industry spent **\$3.2 million to advertise in user-generated media** in 2005
- User-generated media remains primarily national in scope with 98.1%, or \$20.0 million, of all advertising spending coming from the **broader market** in 2005
- **Blog advertising accounted for 81.4%**, or \$16.6 million, of total spending on user-generated online media in 2005, but blog ads will comprise only 39.7%, or \$300.4 million, of overall spending in 2010
- Spending on RSS (Really Simple Syndication) advertising totaled \$650,000 in 2005 and will **grow to \$129.6 million in 2010**
- Total spending on user-generated online media is forecast to grow at a compound annual rate of 106.1% from 2005 to 2010, reaching **\$757.0 million in 2010**

Source: Media Center Research

Mobile initiatives - announced April 27

- Sony Ericsson launches the 'mobizine' - a mobile music magazine called the "Soundtrack to your life"
- Showcase the advertising capability of its new Walkman phone and get consumers to make more use of multimedia content consumer of only a few pence per "issue"
- Sony Ericsson is also using the initiative to promote the ability of its new W810i Walkman phone to run advertising, allowing brands to run ads linking through to a purchase or request for more product information. Refresh Mobile created the concept in partnership with media planning and buying agency MediaEdge



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In summary !



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In summary: To attract audiences across the range of media delivered across this sea of devices and delivery channels:

- Really encourage participation, allow viewers to play with brands and properties
- Strong narrative across the platforms, connect them
- Work closely with advertisers
- Do not just saturate, carefully co-ordinate cross-media journeys - look to ARG techniques
- Have focused events and keep adding content, fresh

In summary: To attract audiences across the range of media delivered across this sea of devices and delivery channels:

- The audiences want 'their' media to be available on any and all platforms at any time
- Audiences want to be able to push and pull their content without barriers
- Advertising will lead innovation and dominate even more in cross-media markets
- Professional producers will differentiate themselves from UGC by creating interactive cross-media, rather than mono-media
- Do not forget where the audiences are moving to

