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With 18-35s now doing half their video viewing on mobile, providers are experimenting with new formats, but it is not yet clear which services and content will have staying power. Andy Fry investigates.

There's plenty of data to show that audiences still enjoy watching long form TV shows on the big screen in their living room. But you only have to observe the symbiotic relationship between young people and their smartphones to realise that mobile is fast emerging as the primary screen for video consumption. Dominique Delpont, CEO of Vivendi Content, recently underlined the scale of the shift when he claimed that 18-35 year-olds now spend 50% of their video time on mobile.

The key reason for this remarkable shift in behaviour is that mobile dominates social media usage among the youth demographics commonly referred to as Gen Z and Millennials. Two of the top four social media platforms (Snapchat and Instagram) are, in

effect, mobile-only while the other two (Twitter and Facebook) are increasingly accessed through mobile devices. It is estimated, for example, that 54% of all Facebook activity now takes place on mobile – and you can guarantee this figure would be higher if you stripped out all the aunts and uncles checking in on their antiquated desktops.

Pivotal position

Mobile's pivotal position is reinforced by the fact that it is also a key conduit for other activities such as dating, retail, financial services and music – with companies like Spotify Studios exploring how to develop mobile-first video in partnership with artists

and brands. On top of this there is the ease with which short-form video can now be accessed via such devices. The big player, of course, is YouTube, which is now 70% accessed via mobile. But the growing presence of video on both Facebook and Snapchat has helped reinforce mobile's surging appeal.

As mobile has moved centre stage, established broadcast, streaming and production businesses (including recent arrivals on the scene like Netflix) have been thinking about how they should respond. The most obvious example of this is pay TV and SVOD offerings that allow subscribers to watch content on any platform at no extra cost – a TV everywhere model. But this still leaves unanswered questions. Should they, for example, be creating content specifically

Studio+'s *Tank*: new services are emerging targeted specifically at mobile viewers.

suited to mobile platforms – rather than just relying on content that was created for the big screen in the corner of the room? And if they do, how do they generate ROI on their incremental investment?

At the same time as established players ponder such issues, there are questions for digital entrepreneurs and mobile carriers. Is there, for example, a way to make money from an unexploited gap in the mobile video market? Or can mobile video be used to inspire loyalty to a particular network?

It is too early to provide any clear answers to such questions – but it is noticeable that a lot of well-established players have yet to give too much ground to the unique demands of mobile. Netflix chief product officer Neil Hunt recently told journalists that the company might look at creating mobile-specific cuts of its original movies and TV shows “over the next few years”. But there is no indication that the company is planning any radical departures such as short-form or vertical content. This is despite the fact that around 50% of the SVOD platform’s user-base have accessed the service via mobile devices, and around 10% of total Netflix viewing now takes place via smartphones.

Earlier this year at Mobile World Congress in Barcelona, Netflix chief executive Reed Hastings was pretty emphatic when he told delegates that his company thinks more about great storytelling than screen size: “We don’t design for mobile – there are people [who are talking about] vertical video and maybe we will look at that some day, but for now we focus on stories you want to watch on any screen, including mobile.”

The key point Hastings was making is that Netflix doesn’t need to shoot vertically because it knows users only have to rotate their phones by 90 degrees in order to watch its horizontal content – so why add to an already vast content budget with tailored mobile shows? Besides, you only have to look at the way cinema and TV have developed over the last century to realise that horizontal is far more appropriate than vertical for most forms of complex video-based storytelling. If this wasn’t the case, then cinema and TV screens would have followed the lead of portrait paintings and books by being designed along a vertical access.

This isn’t to suggest there is no room for

vertical content. But it’s also the case that most YouTube MCNs are still focusing on multi-platform horizontal content.

A spokesperson at ProSieben.Sat1-owned MCN Studio 71, which produces mainly for YouTube, says the company has seen “a constant increase in mobile viewing at the expense of desktop” but that the best description of what it does is to “produce content for digital consumption – of which most is via mobile”.

A similar message is delivered by Richard Chambers, head of Zoomin Studios, a recently launched production division of Zoomin.TV, which generates around two billion online views a month via a network of YouTube channels and video journalists. Chambers acknowledges that it might be possible to describe short-form video content as mobile first in terms of how it is consumed, “but what we are doing at Zoomin.TV is creating short-form content across a range of platforms.”

In fact, the creation of Zoomin Studios is, in itself, a powerful illustration of why many content companies don’t want to be mobile-specific. A key rationale for the division, says Chambers, is to harness its expertise in digital content and use this to create engaging linear TV content: “We know traditional TV is still attractive to YouTube stars and their fans, so a key part of our brief is to create content for television that we know – based on our experience – will appeal to younger audiences.”

Snapchat

There are indications that mobile-first viewing is being taken seriously by online video players. During the recent relaunch of Vivendi’s Dailymotion, for example, engineers built the user interface first for smartphones before adapting it for desktops and connected TV. And YouTube has acknowledged the existence of vertical video by introducing an update that makes it easier to view on its app. But broadly speaking established players are concentrating on multi-purpose horizontal content – either long-form or shortform depending on their editorial proposition. Long-form players like pay TV platforms and Netflix charge an all-in subscription while

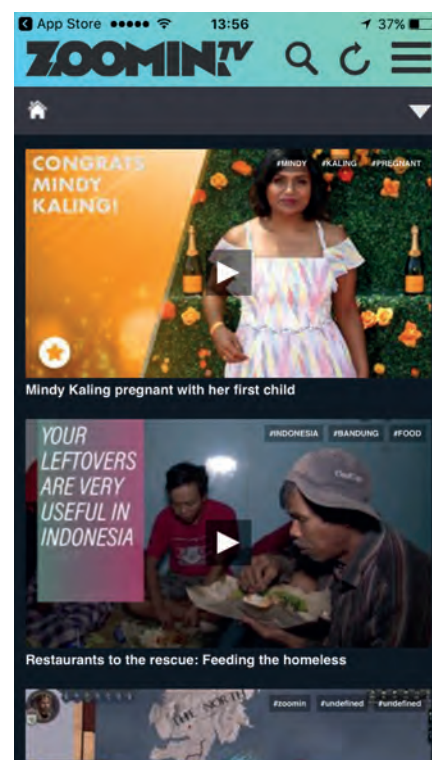
Zoomin TV has specialised in creating short-form content for multiple platforms.

the majority of YouTube MCNs are working within an ad revenue share model.

As explained earlier, however, there are also disruptors and entrepreneurs who are altering the rules of the game. The most significant of these is mobile-only, vertical-axis social media platform Snapchat. Echoing broader trends in social media, Snapchat has been rapidly increasing the amount of short-form video available to its users, to the point that around seven billion video clips a day are now viewed across the platform.

As a vertical axis platform, it’s no surprise that the vast majority of video clips on Snapchat are vertical – predominantly UGC or the kind of simple humour/celebrity short-form video where it is easy to shoot vertically without adversely affecting quality or satisfaction. But where the debate really gets interesting is that Snapchat, via its Discover platform, has started partnering with established content brands on the creation of tailored professional vertical content that is exclusive to Snapchat.

Publishers from Cosmopolitan through to Mashable have been obvious partners for Snapchat – because they are comfortable offering a mix of text, still images and video along a vertical axis. But Snapchat is also working with TV companies such as BBC Worldwide, Discovery, A+E Networks, NBC, MTV and MGM. Although these companies



are much more used to making horizontal shows they are all attracted by the prospect of generating new revenues and experimenting with new formats. “The team at Snap is thinking about mobile TV differently than anyone else in this space,” said Barry Poznick, president of Unscripted Television MGM, announcing his company’s partnership with the platform. “They are innovators, and it presents us with a unique opportunity to flex our development and production muscle in a new way. We are excited to create content for their hard-to-reach audience that consumes entertainment in a very specific fashion.”

In some cases, these companies are creating vertical short-form versions of existing IP and in others, developing new shows. Discovery, for example, created Snapchat versions of *Mythbusters* and *Shark Week* while BBC Worldwide did the same with *Planet Earth II* - using previously unseen content. The latter used the same headings as the TV series but did not include iconic host David Attenborough. Episodes were four-to-six minutes long and were released one a week. A&E Networks, meanwhile, created original reality series *Second Chance*. In this show, emotional exes were brought face-to-face to explore the breaking point in their relationship for the first time – and to see whether there is any chance of romantic reconciliation.

In all cases, Snapchat’s business model is built around an advertising revenue share (though for the content creator there is the added benefit that it might drive audiences back in the direction of their TV content). In

the case of *Planet Earth II*, BBC Worldwide secured Goldman Sachs as a sponsor – but for content which has more of a multi-genre magazine feel, revenue is accrued from a range of brands. Typically, Snapchat sets its Discover partners a minimum ad revenue target – and if they don’t achieve it they will have to end the partnership.

A+E’s digital content is created by in-house division 45th & Dean, which is headed by EVP and general manager Paul Greenberg, who holds a similar role at A+E channel FYI: “When we launched, our vision was innovation in storytelling across all platforms, and rich, meaningful partnerships,” he says. “The kind of content we are creating is linked to our channel brands and core content areas, but is stand-alone at the same time. For example, we made an online series called *Chloe On Pointe* which stars one of the dancers from Lifetime’s *Dance Moms*.”

Vertical, horizontal, square

45th & Dean is making vertical, horizontal and square content (square works well on Facebook), which is generally one to six minutes in length. Ask Greenberg about “mobile first” content and he says: “We are making content that people can consume anywhere they want to. So we start by thinking about the audience – not the device or format. A key point is that you’re not just thinking about the shape of the image, but also what will work editorially. The automotive audience on YouTube might be interested in electric

cars and on Facebook they might be interested in self-driving cars. So you can’t assume that something you make for one platform will work on another. If we are producing something for Snapchat we will really go all in to make sure it is the optimal experience for that platform.”

Greenberg says rather than start by thinking about video ‘shape’, the key is to link your editorial ambition to what they audience data is telling you: “We have a popular show on FYI called *Bride and Prejudice*, which is basically about three couples where the parents hate their partners. We saw some Facebook comments from people saying ‘that’s my life’ – so we contacted them and shot the series *Hashtag Love*.”

In terms of content length, Greenberg says “back in 2010 everyone was making short videos – 45 seconds or under. But it has gone longer now. *Second Chance* was 8 x 4 minutes – and incidentally was scheduled on a weekly basis, new episodes launching on Wednesday morning and disappearing on Friday. On YouTube and Facebook, you can go to 10 minutes or more.”

There’s an important genre point to be made about mobile-friendly content. If you make a scripted show, it probably needs to be horizontal so that you can generate financial returns across platforms. But an unscripted show can, in theory, start vertical and be reversioned as a horizontal concept (because an idea-led unscripted show lends itself more easily to formatting).

Elisabeth Murdoch-founded Vertical Networks, for example, made a popular dating show for Snapchat called *Phone Swap*, in which two strangers were given unrestricted access to each other’s phones before they met. Vertical Network CEO Tom Wright says that the first series of five episodes attracted an average of 11 million viewers – and the show has now been recommissioned for a second series. It is also being developed by Robin Ashbrook (executive producer of Fox’s *Masterchef* and NBC’s *Little Big Shots*) as a network television show.”

This has echoes of the Zoomin strategy. While Vertical is creating content capable of generating ROI within mobile, “our insights into the mobile-first audience allow us to create original IP that will also appeal to that



BBC Worldwide has used unseen content from *Planet Earth II* to target mobile.



Q&A: Stéphane Gambetta, Reed MIDEM

Reed MIDEM is launching a second edition of Esports BAR in Miami, an invitation-only event dedicated to the fast-growing world of eSports. Strategy and new development director Stéphane Gambetta explains

What is the Esports BAR and why did Reed MIDEM decide to launch this event?

Esports BAR is a newly launched Reed MIDEM B2B market created to bring together leaders and executives of eSports organisations, brands, agencies and media face-to-face to define their esports strategy and negotiate sponsorship, broadcasting, content or licensing deals.

Constantly studying the trends impacting the entertainment business, we came across the growing eSports space three years ago and saw how this sector was starting to expand beyond the circle of indigenous players, engaging several of our TV clients who were embarking on eSports projects. With our core strengths focused on building effective business platforms, we thought we could help the sector level up with a dedicated B2B event, and launched the first business market for the international eSports community last February in Cannes: Eports BAR, the world's eSports business arena.

Our goal was to create a platform to discuss sponsorships and distribution rights among non-indigenous and indigenous brands, media, eSports teams, professional leagues, game publishers and advertising agencies.

What can Reed MIDEM and the Esports BAR provide for the emerging eSports industry?

Being part of Reed Exhibitions, the world's leading exhibition and conference organiser, Reed MIDEM has a trusted reputation for building effective, well-organised and international events. We also have the expertise in serving complex rights markets and have 50 years' history of helping – notably entertainment – businesses grow through international professional markets such as MIPCOM, MIPTV or MIDEM.

Additionally, through our entertainment markets, we have the contacts and industry knowledge of the brand world, with its need to be at the heart of the storytelling and media experience, with both its wish to get into content distribution rights for eSports events as well as its capacity to offer high quality production capabilities to the eSports organisers. As such we believe we have the unique strengths to successfully organise a marketplace of reference for the eSports industry.

How much support has the event received from the industry?

The first edition has been widely acclaimed. Held in Cannes last February, the event was sold out with a 96% satisfaction rating. There has been a clear demand for a second event in 2017, which has reconfirmed our intention to accompany the strategic development of

this rapidly evolving industry for the long term.

To provide the most productive eSports matchmaking experience possible, and better understand the needs of the sector, we're also supported by an advisory team of leading eSports professionals, which includes Matthieu Dallon, Esport Strategy Director, Webedia and President, France eSports; Sidney Kim, CEO of Rox Tigers and ROX Orcas OverWatch Team; Ralf Reichert, CEO of ESL; Mike Sepso, Senior VP, Activision Blizzard; Stuart Saw, Twitch's Director of Esports Strategy; Wouter Sleijffers, CEO of Fnatic; Arnd Benninghoff, EVP, MTG and CEO of MTGx Ventures and Todd Sitrin, SVP & GM Competitive Gaming, EA. We are thrilled that so many renowned professionals have granted us their trust and accepted this role.

What are the basic principles behind the organisation of the event and how does it work?

Esports BAR is a 'by invitation' event: its selection process is what makes Esports BAR unique, as it allows us to bring together over 100 people who will benefit most from meeting each other.

Aside from the business insights sessions and a full programme of networking events, Esports BAR is centered around the 1-to-1 summit, offering leading executives a full diary of guaranteed pre-scheduled meetings on site.

What set the inaugural Esports BAR apart from other eSports events is also the high quality of professionals gathered in one place, dedicated to growing eSports into the entertainment of the future.

What are the next steps for Reed MIDEM in this area?

Esports BAR now heads to the United States. The upcoming edition will be held in Miami, 18-20 September 2017.

The U.S. is definitely one of the leading regions in eSports, constantly generating growing revenues from online advertising, sponsorships, media rights, merchandise, tickets, and additional publisher investments. Esports BAR Miami will therefore enable us to be closer to some of the main actors in the eSports industry and is expected to attract a particularly strong participation from the United States, Latin America and Canada. Yet, being designed as a global event, Esports BAR will still be bringing together executives from more than 20 countries active in the worldwide eSports industry.

And an expanded edition is planned, to be scheduled in Cannes, February 2018. Stay tuned!

Esports BAR – the leading B2B market for the international eSports community – in Miami, Florida, is scheduled for September 18-20

audience on TV," says Wright. "Because our expertise is in mobile we work with the likes of Avalon and Endemol Shine on format co-development."

Part of the strength of developing IP within the mobile space, argues Wright, is that the audience has zero tolerance for padding. "Anything that looks like padding kills engagement," says Wright. "So when you're looking at a successful mobile-first format like *Phone Swap*, it's just eight minutes of great stuff distilled down. That can then be expanded for TV."

Vertical Studios has created two other formats for Snapchat (*Yes Theory* and *Without Limits*) and also runs a Snapchat Discover channel called Brother. A mix of video and text-based publishing, Brother generates around 1.6 billion views a month, a rich resource in terms of collecting audience data. Overall, the company's strategy is to make around 10-12 unscripted series a year for Snapchat, Facebook "and maybe one other platform we are in discussion with at present," says Wright.

Subscription model

Vertical Studios' business model, like most outlined above, is based on ad revenue share – and Wright has no expectation that this will change in the near future. But one obvious question is whether there is room in the new video ecosystem for a mobile-first content strategy based around subscriptions. 45th & Dean's Greenberg takes the view that anything is possible "if the content is good enough and scarce enough".

One of the most serious attempts to test this thesis is Blackpills, a new service that specialises in shortform scripted series for mobile audiences. Created by Deezer founder Daniel Marhely and Patrick Holzman, a former Canal+ executive, Blackpills wants to "radicalise" the way scripted content is consumed on mobile. Its standard format is 10 x 10 minute series ranging from comedies to thrillers. With budgets ranging from US\$500,000 to US\$3 million, there is an overt attempt to woo audiences with high-profile acting and behind the scenes talent (as you might find with HBO or Showtime in pay TV). The thriller *Playground*, which is about young assassins being trained in a specialist school, is based on an idea by director Luc

Go90: lessons from the mobile frontline

In 2015, US mobile phone network Verizon launched a mobile video service called Go90, a name that implicitly encourages users to rotate their phones to the horizontal position. Intended to increase loyalty among its users, Go90 offers a huge array of licensed third party content and original shows.

Go90 has been a major investment for Verizon and, as yet, it's not clear whether it has proved appealing enough to the audience to survive. However it has provided some useful insights into the kind of content that can work on mobile.

Speaking at MIPTV 2017, Go90 chief content officer Ivana Kirkbride confirmed that "the mobile audience is spending more time watching videos at home and on the go throughout the day". With Netflix and Hulu dominating longer form viewing, and social media and YouTube dominating under 10 minutes in length, she added that Go90's "sweetspot" is premium mid-form content between 10 and 30 minutes long.

Kirkbride acknowledged Go90 didn't get its editorial proposition right at the time of launch. "Our generic approach to content wasn't working – the content wasn't reaching the right audience. We looked closely at the data and saw cohorts of users forming around passion areas. So we decided to double down on what was working and super-serve those areas. As a result we have launched four new Go90 networks called Saga [sci-fi/horror], Zone [sport, athletes, comedian, celebrities], Exo [pop culture-led scripted content like *Tagged*] and Session [counter cultures like art, design, music, sneakerheads etc]."

In its early days, Go90 was also criticised for having failed to get its metadata architecture sorted out, meaning that it was hard for users to navigate around the mass of videos on the service. Now, though, Kirkbride says the service has launched a version 3.0, which is highly data-driven: "Turning data into action is key," she said: "Our algorithmic programme means that every time you watch a video our platform learns what you like. Discovery and personalisation insights will inform what we do next from development and

greenlighting to marketing."

Kirkbride stressed the importance of including social media influencers in Go90 dramas, even if their acting credentials aren't proven: "Awesomeness TV made *Tagged*. When casting, they strategically balanced digital influences with traditional acting talent to build an audience that would love the show."

She also stressed that different platforms behave in different ways to each other (see also Paul Greenberg's observations on this). "Each platform and audience is completely unique, so you have to cater to what works best for each community. What works on Facebook and Snapchat doesn't necessarily work on Hulu and Go90, so specificity and authenticity are key."

For a company whose name is a compression of 'Vertical Horizon', one obvious question is why it has focused on horizontal content. The likely answer is that it is looking to 5G and beyond, when it will no longer be device-constrained. In terms on numbers, the most recent audience figures suggest Go90 has around 2.1 million monthly active users in the US.

Joining Kirkbride on her panel was



Tagged writer-director Hannah Macpherson. She observed that youth audiences want "authentic mature content – they don't like to be condescended to". She also said "there is a misconception that Gen Z and millennials have zero attention span and will barely make it through a viral video. But the reality is that they will binge hours of the right content. For season two of *Tagged* we are extending the length of episodes to 22-25 minutes."

Blackpills' *Playground* and *Junior* are part of a new wave of mobile short-form drama aimed at a young audience.

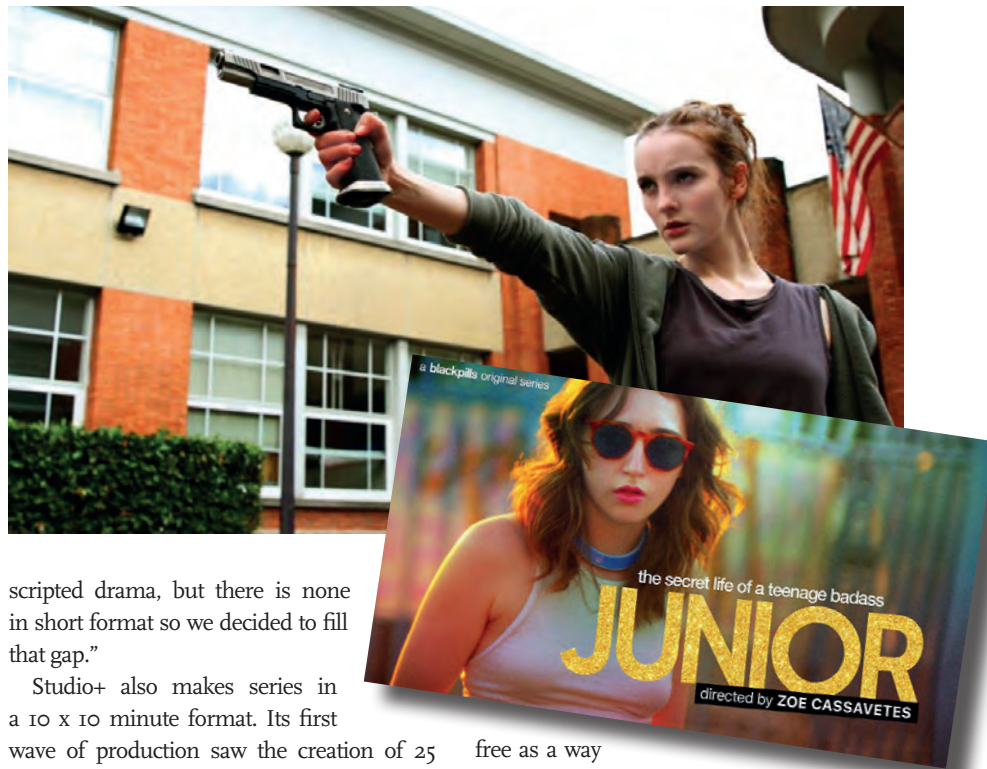
Besson. And Zoe Cassavettes has directed another series called *Junior*. At the satirical end of the scale, Blackpills created *You Got Trumped*, about what Donald Trump's first 100 days in the White House might be like (made before it really happened).

The series are shot horizontally, reinforcing the point that the emerging trend towards mobile-first scripted content is more about choice of subject and style of production – rather than shifting axis. Among a wave of 54 productions greenlit since 2016, topics covered have included virginity, sexual health, violence, digital privacy, and racial diversity, with Holzman emphasising authenticity and stories with no taboos.

Blackpills is available in the US, Canada and a number of European markets. There is an option to watch all series ad-free for around US\$5 a month via a mobile app. But Marhely and Holzman have been careful not to bet all on this model. For a start, the fact that the series are shot along the horizontal axis means they can also play out on non-mobile platforms. In March, for example, Blackpills entered a partnership with Vice Media, which makes it possible for fans to watch the series for free via that platform. Going forward, viewing Blackpills content via Vice will come with ads and will air after the premium window. But it does demonstrate that Blackpills is not wholly relying on a paid-for model in the way HBO, Netflix or Amazon Prime do.

French media giant Vivendi is undertaking a similar exploration of the mobile first market with Studio+, another short-form scripted platform. The service is the brainchild of Vivendi Content chairman Dominique Delport, who says: "Smartphones are the number one device for consuming content. We have a great opportunity to create high-quality, mobile-ready entertainment largely not available today on the market and that is more compelling and attractive to new audiences."

Vivendi SVP of business development Hala Baviere told delegates at this year's Cable Congress that more and more young people are watching short-form video on their mobiles, but that they are also interested in the kind of high-end drama currently only available on TV. "They are fans of high-value



scripted drama, but there is none in short format so we decided to fill that gap."

Studio+ also makes series in a 10 x 10 minute format. Its first wave of production saw the creation of 25 series at a budget of around US\$1 million (€0.9 million) each. A second wave of 25 productions is now being developed, with the emphasis on thrillers above comedies. Once again, the emphasis is not on vertically-shot drama but narrow angles, high-intensity screenplays and "powerful unexpected stories with global relevance". Global relevance is achieved by using a lot of international locations and making the shows available in five languages.

The series can be accessed via a subscription-based app, developed by Vivendi company Watchever, or via various partnerships with telcos around the world (once again, the content is mobile-first but designed so that it doesn't exclude non-mobile audiences). For example, the Latin American rollout of Studio+ took place in partnership with Telefónica. In France, the service is available via Orange and Bouygues Telecom, as well as sister pay TV platform Canal+. At Mobile World Congress, a carriage deal was also announced with global Russia-based service provider Veon, which claims to have 235 million customers worldwide.

The app is priced at around €5, but platform partners are not obliged to put this pricetag on the service. Canal+, for example, offers Studio+ to its existing subscribers for €2 (a price that also includes some acquired short-form content). Others might offer the service

free as a way of building loyalty among a younger audience. A Vivendi spokesman says it is too early to say how the business model for Studio+ will play out, but that the company is pleased with the acclaim many of its series have received.

The thesis underpinning Blackpills and Studio+ is sound – that the ascendancy of mobile has created new viewing habits including viewing on the go, snack viewing, different viewing peak-times, an edgy editorial sensibility, a shift to social video and so on. But whether this is enough to justify a new subscription model on top of the cross-platform ones that already exist is unclear. Parks Associates director of research Brett Sappington warns that "the mobile economy is still a challenge as you can see from the difficulty services like Verizon's GoGo have had gaining traction" with audiences (see sidebar).

"I see the appeal of short-form or instant access to sport – but the real opportunity in mobile may be around something completely different, such as using it as an authentication device to access your existing subscriptions via other people's TVs," says Sappington.

The one thing that has already become clear about mobile, however, is that audiences are ruthless arbiters of what works and what doesn't. So it shouldn't be too long before we see what content strategies have a future. ●

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