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Television Business International



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June/July 2016

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EDITOR'S NOTE



STEWART CLARKE

Netflix is taking viewers away from traditional channels and hitting pay TV operators where it hurts – in their subs bases (in the US at least). However, cooperation between the streaming company and the incumbents looks like a fruitful middle way, for those willing to sleep with the enemy.

There's a good way to do it: the BBC has brought on Netflix to coproduce season two of its period epic *The Last Kingdom*. Amazon did something similar with *Ripper Street* (a show that ultimately had the rare distinction of being cancelled twice).

French broadcaster TF1 demonstrated the bad way to work with Netflix, showing just two parts of its local series *Marseille*, weeks after its launch on the streaming service. It not only had no exclusivity, and drove viewers who liked the show to Netflix, it also left its own viewers who didn't want to pay for streaming, but did want to see more, frustrated.

It is not the only free TV player leaving viewers feeling shortchanged. Limiting the number of episodes a channel can have on its on-demand service during a series' run means binge-savvy viewers can't catch up with a show or come to it late.

The US networks are pushing back, and ABC and NBC are among those pushing for full season stacking rights. But for the distributor, giving these away means losing out on the value of the second window. The result? Both sides are trying to work out what should be included in a deal, and the value attached. We get into the detail in our lead feature.

The competition for rights will likely get fiercer still when Amazon

makes a bigger international play, as is widely expected. Its Prime Instant Video service is in only a handful of territories, but analysts fully expect that to change, and its OTT channels service is also widely tipped to roll out internationally.

The established channel groups are not sitting on their laurels, and in this issue we also hear from Discovery's top brass about their take on (not) working with Netflix, and on launching their own superfan-skewed OTT platforms.

Canadian producer Sophie Ferron, in her Last Word, meanwhile, highlights the fact that the playing field between the broadcasters and OTT players isn't level, with the former subject to a raft of content regulation that the latter aren't.

Here in Europe, the European Commission is moving some way to redressing the balance, proposing a local content quota for the streaming businesses, although Amazon and Netflix are, researchers say, already mostly in compliance anyway.

The real issue in the EC's proposed changes for the international industry is the idea of getting rid of territory-by-territory trading of rights, which risks a multi-billion dollar impact on the content business, according to industry groups. The business of TV just got more complex.

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Published by Knect365 TMT, Maple House,
149 Tottenham Court Road, London W1T 7AD
Tel: +44 (0)20 7017 5000
e-mail: tbi@knect365.com **web:** www.tbivision.com
Printed in England by Wyndeham Grange Ltd, Southwick, West Sussex BN4 4EJ.

Television Business International (USPS 003-807) is published bi-monthly (Jan, Mar, Apr, Jun, Aug and Oct) by Knect365 TMT, Maple House, 149 Tottenham Court Road, London, W1T 7AD. The 2006 US Institutional subscription price is \$255. Airfreight and mailing in the USA by Agent named Air Business, C/O Priority Airfreight NY Ltd, 147-29 182nd Street, Jamaica, NY 11431. Periodical postage paid at Jamaica NY 11431. US Postmaster: Send address changes to Television Business International, C/O Air Business Ltd / Priority Airfreight NY Ltd, 147-29 182nd Street, Jamaica, NY 11431. Subscription records are maintained at Knect365 TMT, Maple House, 149 Tottenham Court Road, London W1T 7AD, United Kingdom. Air Business Ltd is acting as our mailing agent.

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On the move

TBI takes a look at the latest comings and goings in the international television business and reports on who's moving where

Sony Pictures Entertainment CEO Michael Lynton has consolidated his position after the exit of Sony Pictures Television chairman **STEVE MOSKO**, with programming and TV production chiefs Zack Van Amburg and Jamie Erlicht among a number of senior execs now reporting directly to the Lynton



The US arm of ITV Studios has hired Michael Azzolino from Jerry Bruckheimer Television. Azzolino will be executive VP, creative affairs, at ITV Studios America, following eleven years with producer Bruckheimer's prodco

Former Banijay International sales manager **SIOBHAN HERRIOT** is joining The New Flemish Primitives as head of sales. Herriot left Banijay International as it rebranded as Zodiak Rights following the merger of Banijay Group and Zodiak. At TNFP, Herriot in part replaces former managing director Sue Green



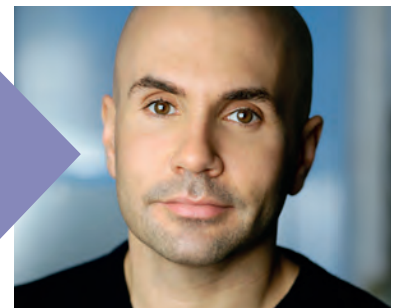
Lagardère has recruited Bruno Gaston to run its prodco Maximal, replacing the 73-year-old Jérôme Bellay. Gaston has been running Lagardère's Europe 1 radio station, but will now take charge of the producer, which makes popular magazine show *C Dans l'air* for France Télévisions

PEARLENA IGBOKWE has taken the reins at Universal Television, NBC's cable and broadcast production arm following the exit of previous incumbent Bela Bajaria



BBC documentaries development chief Dan Louw has joined the US-based Vice Media as VP, development for Viceland UK, with *Peep Show* and *Fresh Meat* producer Debi Roach also joining as VP, TV production, EMEA. Viceland has been staffing up since the announcement of its international launch plans

Viacom has upped **CHRIS MCCARTHY** to president of its cable nets VH1 and Logo. The exec was only promoted to general manager of the channels last year, and will now take the helm at the entertainment networks



Nickelodeon president Russell Hicks has resigned from his post after 18 years with the Viacom-owned kids channel. There are no immediate plans to replace the exec, who has been in his current post of president, content development and production since 2012

CASEY BLOYS has become president of programming at HBO after the exit of Michael Lombardo, whose departure ended a 33-year career at the premium US cable channel. Former comedy chief Bloys had added drama to his duties earlier this year after Michael Ellenberg left



A three-part drama series from the makers of
GENERATION WAR
and **DEUTSCHLAND 83**

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Life on the Threshold of a New Era

The NATPE Budapest 2016 Market & Content Summit is JP Bommel's first European event since taking charge of the US based industry association. He tells Stewart Clarke about his plan for NATPE's return to the Hungarian capital

NATPE: better in Budapest

TBI: This is your first NATPE in Europe in full control of the organisation. What have you set out to do with the Budapest event?

JPB: The thing we changed this year is to make sure that the focus is on local content, so we're not a US content show going to Europe, but celebrating what's local. That will work well with the combination of the Hollywood studios doing screenings right after the LA Screenings.

TBI: How do the 2016 numbers stack up?

JPB: We have over 415 buyers committed to come – over double last year when we had 188. We have about 120 exhibitors, and 20 new ones that didn't come last year, from as far afield as Hong Kong, Israel and Turkey, as well over 25 countries within the CEE region. A good ratio is two-thirds buyers to one-third distributors. It's a true marketplace when you have that.

TBI: You're clearly keen the event has a local feel, what have you done in practical terms to ensure that happens?

JPB: We introduced aggressive pricing for local producers and distributors and tailored the programme for them. We wanted to make sure they could come in and could afford a table or viewing station, and that has worked well.

You also need to make sure you have the global buyers. We have Spanish, French and German buyers coming, and we want them to have an opportunity to see local content.

TBI: How does NATPE Budapest stand out in the calendar of international TV markets and events?

JPB: I love MIPCOM and all of those shows, but we'll have a calm business environment where people can take time to have a discussion, and not have to rush every 20 minutes to their next meeting. That's why local shows like NATPE Budapest are important. We have three days for business, and have evening events and parties, and have made sure people have the time to get together and forge new relationships.

There are some economic difficulties in the region, and not every buyer or producer has the opportunity to fly to LA for the Screenings, or has the means to go to Cannes for MIPTV or MIPCOM, and even if they do, who do they get to meet? We wanted to make sure the emphasis is on local content, and it is an opportunity for local producers to have time with people they don't normally meet.

TBI: Why return to Hungary after two years in the Czech Republic?

JPB: When I got to Natpe in September we made a decision to move back to Budapest to answer a couple of issues: one, distributors say they like it because it is very accessible; and two, Budapest is the Hollywood of eastern Europe. A lot of producers shoot there and the Hungarian government is very supportive of that.

You have a lot of TV companies there, the HBOs and Sonys, so it is a natural media capital in the region.



TBI: Will Budapest be the location beyond 2016?

JPB: We're flexible always and want to hear the trends and what people in the market say, but we feel Budapest is right place and we have the right spot. There are no other plans than to stay in Budapest and grow it.

TBI: What part will the US studios play?

JPB: NBCUniversal, CBS, Lionsgate and Warner Bros. are all holding screenings, and that's key because it is the first opportunity for some buyers to see what was launched in LA a few weeks ago. It's the first time the studios have come to Budapest and done that.

TBI: What about the two that aren't screening, Disney and Fox? Will you get them signed up for next year?

JPB: They are coming to see what it is all about. They have heard the buzz, because we're back in Budapest. I have no doubt they are all going to be there next year.

TBI: Last time out in Prague was clearly challenging for NATPE Europe. Is this year make or break in terms of your activity in the region?

JPB: I don't think so. I don't think we showed the love to the buyers last year and that is where we missed the mark, in giving the buyers a really good reason to be there.

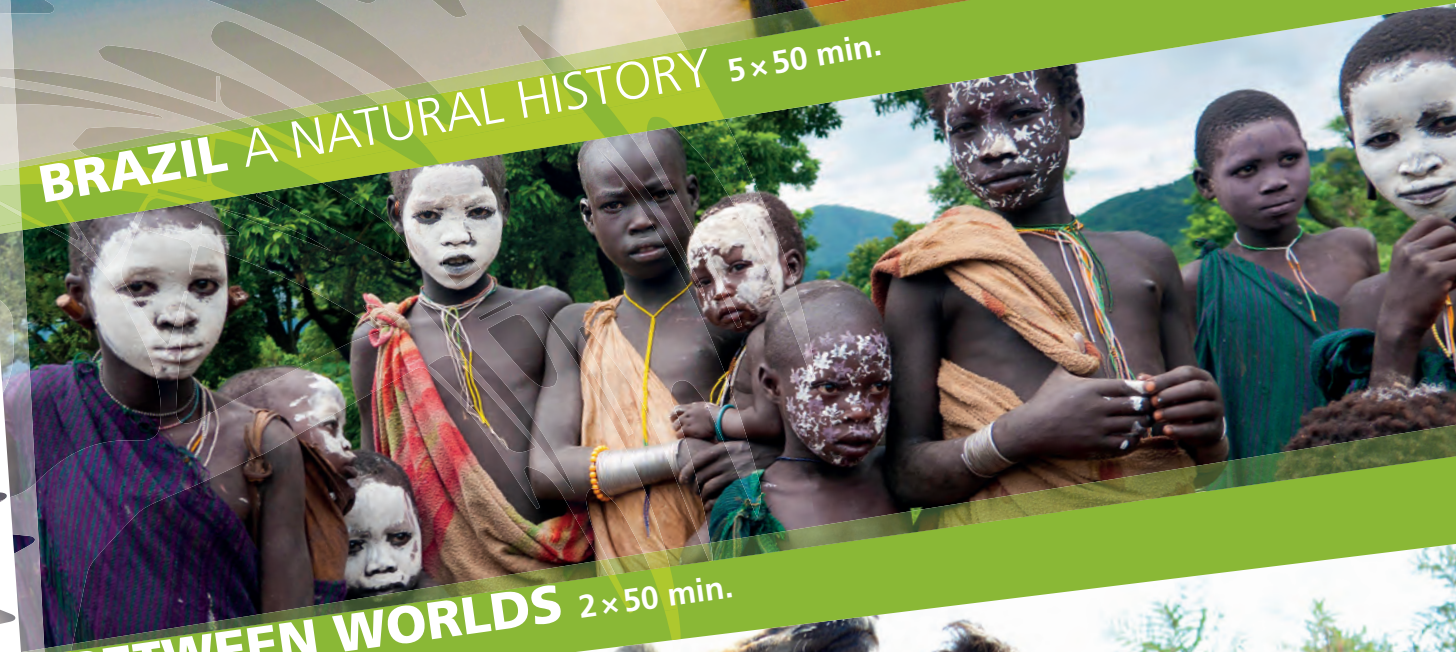
Planning is everything, and as early as September we had a plan in place. We talked to the studios and got commitments in advance. We hired three local people on the ground to talk to producers and buyers so they knew we were paying attention.

We put together an advisory committee of local executives and influencers, and we really used local insight and intelligence to guide us. That's why we are doing a panel on copros and looking at how local producers can do coproduce with studios, and why HBO is doing case study on *Aranyélet*.

It's not a case of 'am I making money, or am I losing money? Are we staying in Budapest; what are we going to do?' I think we have found our right footing and we want to grow that. All the signs point to the fact that we have found our rhythm in the region. **TBI**

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There's always more to discover

Discovery Communications' ongoing plan to dominate international media continues with significant plays in sport rights and premium content, and David Zaslav and J.B. Perrette reveal thematic on-demand services may be the latest piece of the jigsaw. Jesse Whittock reports

The first time David Zaslav attended Roland Garros he was a 30-year-old executive working for NBC, as the broadcaster cranked into gear a plan to create a cable division in order to offset struggles elsewhere in the business.

"At the time the programmers were losing money and the cable operators were losing money," recalls the Discovery Communications chairman and CEO. "We decided we would bring ten cable operators here, and it was a wow moment when we all walked through the gates. It was my first time out of America, and here I am 26 years later. This now our home turf."

Discovery acquired full control of Eurosport, which broadcasts the French Open in various territories, in May last year, and then grabbed European rights to the Olympic Games. Over the next ten years, the company, best known for US factual programming, will invest US\$5 billion in sports content.

A key initiative has been launching the SVOD Eurosport app, which in Europe sits alongside the fast-growing Dplay platform. The plan to have one million subs signed up across both services by 2017 is "on track", says Zaslav.

"When I joined Discovery ten years ago we were looking at how content worked on TV,"

he adds. "Today we look at our content as IP. Ninety-five per cent is still about putting that content on TV, but we are very cognisant of the quality of the IP."

In the US, where cable fees remain high, Discovery offers an authenticated over-the-top service, Discovery Go, but elsewhere other models have been adopted, dependant on local market factors and economics.

For example, free TV remains an option in some territories: the Maryland-based company this quarter bought a 27.5% stake in Bethia Communications, the parent of Chilean free-to-air broadcaster Mega. In Italy, it has launched six of its local free TV channels on the upcoming Vodafone TV pay TV offer, with mobile distribution included in the agreement. The firm is also watching the situation with pubcaster Channel 4 in the UK.

Meanwhile, pay TV operations in Latin American territories such as Brazil and Mexico remain fruitful with subscription television penetration still relatively low.

Zaslav says content and distribution is now viewed internally as a pyramid – "and how we move up that pyramid" is the key question.

"We are about passionate, engaged communities," says J.B. Perrette, president of Discovery's global arm, Discovery Networks



International. "It doesn't always mean we'll be the biggest, but we super-serve tennis and cycling through Eurosport, curiosity through Discovery Channel, lifestyle through TLC, and crime and mystery through ID. There are passionate fans across all of our portfolios."

Perrette points to baker and business owner Buddy Valastro, the star of TLC/DNI reality series *Cake Boss* as an example of these audiences.



Discovery presents to journalists at Roland Garros

“He is our passionate fanbase’s version of Mick Jagger,” he says. “Buddy is a superstar in every market he goes to. This is about super-serving those fans – they show up and literally want to be a part of the experience, and that is who we go after.”

To this end, Discovery may become the latest ‘traditional media’ company going OTT with its channel brands. With the likes of HBO, Turner Classic Movies, CBS and Televisa launching

their own local SVOD players to capture millennial audiences, Discovery is similarly looking at plays for its Velocity, Discovery Turbo and Discovery Science channel brands (see box page 10).

Like many of those companies, Discovery is planning for some painful restructuring in order to focus on content, sport, digital services such as content platform Seeker and Dplay, and growing its presence in international markets.

Severance pay and other related costs to voluntary buy-outs will cost between US\$40 million and US\$60 million by the end of the third quarter.

For Zaslav, half of the content battle is won in the distribution. He believes choosing the right path, or partner, for content is what creates the long tail value, especially in an increasingly complex global market. To that end, Discovery is one of the few major media companies that

currently does no business with Netflix.

“When you have more and more players who want to buy your content and package it in new ways, it’s nothing but positive if the market is rational – if we hold out for the right value and work with the distributors to create the right packages it can be quite effective,” says Zaslav. “If there is a move to offer content for economics that don’t make sense or business models that are weak, it starts to diminish your return when those platforms start to grow.”

Zaslav says more and more content companies will begin to retain their content within their own platforms, using the example of Mexican broadcaster Televisa pulling its programming from Netflix and putting it on its own SVOD service, Blim (Zaslav is a



Televisa board member).

“Netflix is a great company that has built fantastic infrastructure,” he says of the ubiquitous SVOD platform. “Because TV Everywhere was never really deployed in the US

it became an almost unique offering.

“Netflix will continue to do well, but it is a much tougher game outside the US as there is local language and content issues, but more importantly there are a lot of distributors who don’t want to seed their content via SVOD, and want to own it themselves.”

Perette adds that pricing differentials between pay TV and SVOD are often much smaller in local markets than the US, where millennials prefer the lower-cost, non-contractual on-demand platforms.

He notes that while Netflix will inevitably grow its subs and revenue base now it is in 190-plus territories, the key issue is sufficiently serving each of those markets.

“We’ve learned that it’s easy to skim, but harder to scale,” he says. “It’s a really tough thing to do, and it requires local focus. Cost-wise that will be an issue.”

Meanwhile, a new issue facing companies eyeing international SVOD expansion is European Union’s plan for the Digital Single Market, which would threaten the concept of territoriality (which allows distributors to trade on a market-by-market basis).

Perette believes the debate centres on content. “Some things are scalable on a pan-regional basis, but at the core a lot of content is local,” he says, adding that the DSM model would likely affect many companies’ ability to invest in local production.

“The concept of portability and access is one part of it, but the concept of everything being mandated to be licensed and made available everywhere is a very different issue that is not in the interests of the consumer, who wants great local content,” he says.

“Anything that requires homogenisation of content is going to cause challenges because viewership is different in every country, and it’s going to cause problems with investment in content,” adds Zaslav. **TBI**

LEARNING SCIENCE WHILE VELOCITY INCREASES

Discovery may soon launch direct-to-consumer apps for its Velocity, Turbo and Discover Science channels as it seeks to super-serve what the company’s top executives call “passionate tribes”.

Discovery has already launched over-the-top, on-demand players Dplay and Eurosport Player, and may now move onto similar launches for the thematic US channel brands.

Various other media companies have launched their own SVOD players in response to Netflix and Amazon Prime Video. Exactly what content is windowed on these has become a significant topic.

Zaslav says networks that attract superfan-type audiences and are not necessarily best distributed as part of ‘skinny’ cable bundles are candidates for OTT launches.

“We have a passionate tribe for Velocity and [international sister channel] Discovery Turbo around the world,” he says. “It’s a product that has so much energy behind it that we’re

looking very hard at whether we should create a direct-to-consumer product.”

This would likely comprise shows such as *Wheeler Dealers*, *Chasing Classic Cars* and *Bitchin’ Rides* from the Velocity library, streamed live auto auctions and other content.

Discovery Science, with shows such as *Extreme Engineering*, *How Do They Do it?* and *How it’s Made*, is also being considered as an OTT product. “We’re a leader in science in almost every territory around the world and have content translated into 56 languages,” says Zaslav.

“Could we create a direct-to-consumer app that could drive science entertainment and understanding of STEM [science, mathematics, engineering and technology]? We could do that without diminishing the Science channel itself.

“In the end you have to work out what people are willing to pay for,” he adds.





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Windows shopping

The advent of international OTT services has created unheralded demand for first-run drama. One result has been the traditional system of windowing, holdbacks and stacking rights for scripted programming changing. Stewart Clarke speaks to buyers, sellers and market experts

The process of windowing drama programming was stable for years. However, with the SVOD players competing for first windows, and new battles taking place over stacking rights (rights to 'stack' episodes on demand during a current season), the game has changed.

As with most of the disruption in the international business, Netflix is front and centre. The SVOD giant has reportedly said that if a distributor gives up full stacking rights – the

kind it buys itself, and which are integral to its business model as they facilitate bingeing – to a network, Netflix won't buy a second window.

The result is the dynamic between first and second windows has shifted. If a content owner doesn't get their first window deal right a second window might be tough, or even off the table.

"It's important to look at utilisation within windows," says Jack Davison, former VOD product boss at UK cabler Virgin Media, and now managing consultant at the 3Vision consultancy. "How a broadcaster utilises

content in the first window has a material effect on the value of the second window. The [distributor] needs to think much more strategically about how they sell content."

The clearest example of this is the tension around in-season stacking rights in the US. Broadcasters have largely seen their catch up limited to the five most recent episodes – the 'rolling five' – of a current season of a show they are airing. The traditional channels are now pushing hard for catch-up rights to all episodes, with Disney/ABC Television making a lot of



noise in March about its 'full stacking' deal with Warner Bros. for the latter's TV series. NBC has been similarly aggressive and pushed for a full stack for all of its new season shows.

"Channels are trying to capture a linear audience through scheduled TV and catch-up, and those worlds are blurring," says Jamie Lynn, executive VP, sales and distribution, EMEA, at *Deutschland 83* distributor FremantleMedia International. "The linear channels are finding it harder to explain it to the viewers if they can't view all of the content they want. The viewer

can't understand why all episodes are not on catch-up, and they think the broadcaster is being mean."

Not only does having full stacking rights allow viewers to binge and catch up, it creates valuable advertising inventory for commercial broadcasters. It also, however, lowers the value of the second window, meaning content owners have to calculate the opportunity cost.

Distributors are clear there is a value attached to full stacking rights. "If you want longer catch-up, or more episodes, it comes with a price tag," says Henrik Pabst, head of *Bosch* distributor Red Arrow International.

Jonathan Ford, executive VP, sales and distribution at *Line of Duty* distributor Content

electronic sell-through and DVD (when that was a meaningful market), to pay, second pay, free and then SVOD windows. US TV series mostly went from free, to pay, to SVOD.

For a time traditional channels and platforms were happy to see content shopped to SVOD, not seeing the streamers as competition, but those days are over. The growth and expansion of streaming services has had a two-fold effect: the SVOD window has become richer, and rather than wait at the back of the queue, the likes of Netflix and Amazon are jostling for position at the front, and are buying in first windows.

"All bets are off and the reason is non-linear services," says Bruce Tuchman, who launched the MGM, Sundance and AMC channels

"It's such a crowded market you need as much as you can get; you really need to build a strong force field around content"

Catherine Mackin, UKTV

Television & Digital, agrees. "The argument from the broadcasters is they need these rights to promote a show and drive viewers as the series goes out, but for a distributor, these are rights they could sell to someone else," he says.

British channels group UKTV runs linear services including Alibi, W, Dave and Drama. As well as output deals with (its part-owner) BBC Worldwide and Zodiak Rights, it is a notable UK buyer of US scripted, recently picking up the likes of *Rosewood* from Fox and *Quantico* from Disney. It often wants to buy across first run pay, pay, and free TV windows to service its channels, says director of programme acquisition Catherine Mackin.

In a fragmented viewing world, channels need an array of rights to maximise the value of acquired content, according to the UKTV acquisitions chief. "It's such a crowded market you need as much as you can; you need to really build a strong force field around it," she says. "You need much more control, for a period."

The US studios have broadly similar deal terms, buyers say. UKTV, meanwhile, is "quite rigid" about its own baseline requirements, Mackin adds.

An oft-repeated refrain among both the buyers and sellers is that 'it used to be so simple'. Movies largely went from theatres, via

globally, and is now consulting. "At first a lot of pay TV channels didn't think the SVOD players were a threat, or even understand what they were, but now if a piece of content goes to one service it is competition for the other, so it is pay versus Netflix. They both want exclusive rights, and the winner takes all."

Vanessa Shapiro, executive VP, coproductions and acquisition at TV movie specialist Marvista Entertainment, agrees that you need to make an SVOD versus pay TV decision. "You either license to an HBO or Starz, or Netflix. You cannot do both because they are all buying in the pay window," she says.

Netflix, Amazon and their local equivalents have directly disrupted the market by competing for first runs, but the way they have changed viewing patterns globally underlines another change in the way content is bought and sold.

Binge viewing has taken hold, and with cord cutting a threat for the pay TV platforms, the major pay operators now demand channels bring streaming rights to the table as part of carriage negotiations. This forces the channels groups to chase these rights when they do content deals. "The joke is the platforms now say they're not interested in the linear channel, only what you can bring in terms of on-demand," says one international channels executive.

“The big pay networks now require channels on their platform to put a percentage of their programming on their box set services, so they need the SVOD rights and they might not be able to get carriage otherwise,” says Content sales chief Ford.

The launch of authenticated TV Everywhere apps has largely been a US phenomenon, but is

anyway). “The Netflix deal is intoxicating to some people, but once you do it your content goes into a black hole because there is no data,” says Tuchman.

“In some instances it might be better to parcel the rights with just one party, in another to parcel them out one by one,” says Matt Forde, executive VP, TV sales and digital distribution at

“All bets are off and the reason is non-linear services... It’s pay versus Netflix. They both want exclusive rights, and the winner takes all ” Bruce Tuchman

likely to spread from the States to the rest of the world. It exacerbates the pressure on channels groups to hoover up stacking rights as TV Everywhere apps require additional content to that on the linear service, generally in the form of box sets.

For the vertically integrated groups that run channels, produce content and sell internationally, there is a further issue because the sales division will want to take all rights to market, but the channels side will want to snag stacking and other rights.

“You want those rights but your own company is selling to Netflix and that pushes up the cost,” says one channels exec.

“Growth is flat or declining for many operators, and in carriage negotiations with the channels they are clear: it can’t just be about linear,” says Bruce Tuchman. “A negotiation will end if there are no VOD or TV Everywhere rights. SVOD is driving up the price of content and that shows no sign of slowing down, which means channels are in a hard place.”

Netflix’s leverage has only increased now it is a global player. “What has changed is before Netflix was mostly North American and now it is the whole world, so that affects windows not just in the US but the rest of the world too,” says Marvista’s Shapiro.

Selling a show around the world in one Netflix deal is a new and attractive option for content owners, but may not always be the right choice. Netflix has traction in the UK and US, but in other territories remains at a much earlier stage, meaning that while there is hype and marketing, a show may not be getting maximum coverage (not that you will know how it has performed

BBC Worldwide. “It is short- versus long-term. It might depend on whether there is a funding deficit, or whether you are building a brand.”

Red Arrow’s Pabst agrees. “It’s also about what helps to build the brand; you can go for the quick money, or go window by window,” he says.

Demanding global rights could, however, work against Netflix if it has to walk away from a great show, because it can’t get a worldwide window, leaving a local player or rival to step in.

If the rights issues are largely about the tension between the traditional and newer players, there are examples of the two working to each other’s benefit. Netflix famously helped make *Breaking Bad* a mega hit on AMC by allowing viewers to binge and get up to speed ahead of its linear transmission on the cable net.

More recently, TFI showed two episodes of Netflix’s first French original, *Marseille*, two weeks after it debuted on the streaming service. The deal confounded many in the industry who struggled to see the upside for the broadcaster. “They love the show – they saw it and wanted to share these big French stars with their viewers,” a Netflix rep told TBI at the time.

CBS has sold its summer series *Under the Dome*, *Extant*, *Zoo* and *Braindead* to Amazon, with episodes added days after their TX on the broadcast network.

When a broadcaster has an affiliated streaming service, that SVOD-linear cooperation becomes easier. In Canada, Bell bought *Doctor Who* for its specialty channel Space and its streaming service CraveTV, which was a win for the series’ distributor, BBCWW, and allowed the pay network and SVOD service to coordinate their activity.

Another linear-meets-streaming deal struck by Worldwide was for the upcoming *Top of the Lake* season two, which will launch on basic cable net SundanceTV in the US before being available on streaming service Hulu a day later, proving that pragmatism can win out if the show is hot enough. “It’s a competitive market and when two parties want something they can be open to partnerships,” says Matt Forde. “Sundance wants to premiere the show, and for Hulu, this is the type of content it wants to be associated with. Together they can be more powerful.”

For producers, SVOD-linear deals also mean new ways to finance high end drama. “We were really pleased that we could find a way for both SundanceTV and Hulu to be able to broadcast the series in US,” says Hakan Kousetta, COO, television at See-Saw Films, which makes *Top of the Lake*. “The ambition for a show of this type means we have to be imaginative about how we finance a large budget and the readiness for both of the channels to find a way to work together ensures we are not forced to compromise.”

Savvy broadcasters are mindful that a streaming release of an older season – if well placed ahead of the launch of new season on linear – can be a powerful promotional tool. But whether an SVOD service can bolster a linear series is contingent upon the length of the holdback against on-demand. Mindful of the streaming competition, traditional buyers and especially pay channels, will look for up to 18 months, although around twelve is where it is mostly falls, with some examples of that now slipping to nine. The big SVOD players, in turn, want a holdback, mainly against pay.

Everyone is in agreement about one thing: every content agreement will be unique in the current environment. “Now every deal is different,” says Erik Pack, president of international distribution and coproduction at *Narcos* prodco Gaumont Television. “I can’t think of a single deal, even in the same territory with the same broadcaster, that is the same.”

For a content owner the challenge is to piece together the rights puzzle and execute complex deals, but in the same space of time as in the past. Timelines may even be compressed if a series needs to go day and date with the US TX, which is increasingly the case.

Will the windows and right situation rationalise? Many expect so, if only for a time. If things are complex now, just wait until a Facebook, Google or Apple comes to the party. Then the process of windows shopping will likely need to be reinvented over again. **TBI**

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Demanding more

Exclusive data from TBIVision and Parrot Analytics reveals central and eastern Europe's most in-demand programmes and genres. Jesse Whittock reports

Maniacal politicians, giant fire-breathing dragons, damaged superheroes and drug traffickers are in demand in central and eastern Europe.

Parrot Analytics has used its sophisticated software to analyse the demand for television programmes in 16 territories* in the CEE region during the month of May and delivered the results exclusively to TBI.

The stats show local programme tastes in central and eastern Europe are largely in line with those in other parts of the Europe. Overall, HBO's juggernaut *Game of Thrones* is the most in-demand. TBI's In-demand charts, which have run online at TBIVision.com in association with Parrot since April, have seen the fantasy epic at the top of the pile four times.

GOT's demand rating, which is extracted from the number of demand expressions Parrot identified over the month, is 94.27. Though the ratings can go beyond 100, this is one of the highest recorded so far.

Interestingly, the second, third and fourth ranked series are glossy US shows. *Pretty Little Liars*, the Freeform mystery drama, trails *Thrones* by almost 14 points, and is just ahead of medical procedural *Grey's Anatomy* and geek culture sitcom *The Big Bang Theory*.

The entire top ten is made up of US-produced shows, with cable providing three (History's *Vikings*, AMC's *The Walking Dead* and MTV's *Teen Wolf*) and broadcast net The CW the rest (*The Vampire Diaries*, *Supernatural* and *The Flash*).

"In the top ten overall titles, six out of ten shows have similar fantasy or supernatural

elements," says Parrot data scientist Kayla Hegedus, noting a prevailing trend.

No digital-produced series make the overall top ten – perhaps an indication that linear TV remains the medium of choice and the key influencer – in the CEE region.

For digital originals, Netflix provides eight of the top titles and Hulu the others.

Hegedus notes: "Netflix's *House of Cards* and Hulu's *11.22.63* are the most in-demand digital original titles by a fairly large margin, followed by the Marvel titles *Jessica Jones* and *Daredevil*."

House of Cards has proved popular in many of our charts this spring, and it is marginally ahead of *11.22.63* with a 61.99 rating against a 58.90, with its dark political themes just beating out those of time-travel and alternative history in *11.22.63* in the region.

Marvel's Netflix series *Jessica Jones* and



Game of Thrones (left) and House of Cards (right)

TOP SERIES OVERALL

Show	Demand Rating™
1 <i>Game of Thrones</i>	94.27
2 <i>Pretty Little Liars</i>	80.61
3 <i>Grey's Anatomy</i>	75.64
4 <i>The Big Bang Theory</i>	75.30
5 <i>Vikings</i>	74.21
6 <i>The Vampire Diaries</i>	73.71
7 <i>The Walking Dead</i>	72.36
8 <i>The Flash</i>	70.52
9 <i>Teen Wolf</i>	69.57
10 <i>Supernatural</i>	69.31

TOP DIGITAL ORIGINALS

Show	Platform	Demand Rating™
1 <i>House of Cards</i>	Netflix	61.99
2 <i>11.22.63</i>	Hulu	58.90
3 <i>Marvel's Jessica Jones</i>	Netflix	54.80
4 <i>Marvel's Daredevil</i>	Netflix	53.16
5 <i>Narcos</i>	Netflix	51.84
6 <i>Fuller House</i>	Netflix	49.77
7 <i>Orange is the New Black</i>	Netflix	48.23
8 <i>Sense8</i>	Netflix	45.69
9 <i>The Mindy Project</i>	Hulu	45.43
10 <i>Making a Murderer</i>	Netflix	45.22

Daredevil, regulars in our In-demand charts for other territories, take the third and fourth spots, with *Narcos* – often the most popular digital original around – coming in fifth.

American comedy has proven popular, with

Full House reboot *Fuller House* in sixth, with a 49.77 rating, narrowly pushing back *The Mindy Project* (45.43), which Hulu rescued in 2015 after US broadcast network Fox had cancelled it.

Orange is the New Black, *Sense8* and *Making a*



Marvel's Jessica Jones

Murderer round out the top ten, though there is little between the bottom five.

Delving deeper into CEE, Parrot’s data shows action and adventure programming is the most popular in the three main local territories – the Czech Republic, Hungary and Poland. In each territory it ranks at least three demand points above its closest rival, horror.

Conversely, there appears to be a lack of interest in non-scripted programming, with variety, reality and documentary all ranking low in each territory. *Making a Murderer* comes tenth in the CEE-wide digital originals chart and is an anomaly that highlights the global success of the Netflix true crime series.

“Action and horror titles have the highest average demand and variety, reality, and documentary titles have the least demand in all three markets,” says Parrot’s Hegedus. “However, in the Czech Republic dramas are ranked ahead of animation, comedy, and children’s titles, while in the other markets dramas have less demand than animation or children’s titles.”

K7 Media’s head of drama and digital, Dan Whitehead, suggests recent political history could explain the lack of interest in non-scripted formats. “Societies that have suffered violence or oppression in living memory tend not to have much appetite for seeing ‘real life’ as entertainment,” he says.

“Action stories have always traveled well,” adds Whitehead. “Even in the days of the Iron Curtain viewers, in Soviet states would smuggle US action movies on VHS tapes. In territories where language barriers can be a problem,



Pretty Little Liars



Grey's Anatomy

there’s an immediacy to clear cut tales of heroic good guys beating bad guys.”

“The same is true of horror. This is another genre that is largely language-agnostic. The tropes are so well known that, again, you don’t

need to worry about missing nuance or detail in the dialogue.

“Monsters and serial killers translate across boundaries in a way that, for example, *The Wire* would struggle with.” TBI

TOP GENRES Demand rating™			
Genre	Czech Rep	Hungary	Poland
Action and Adventure	34.78	40.85	38.21
Horror	30.49	37.62	35.13
Drama	28.43	35.59	30.91
Animation	27.83	35.85	27.64
Comedy	22.65	30.74	24.58
Children	22.10	33.84	34.68
Variety	20.45	27.05	21.64
Reality	17.06	24.43	16.64
Documentary	15.13	19.04	13.44

* Source and methodology: Parrot Analytics assesses demand for popular shows through various ‘demand expression platforms’ including social-media and photo-sharing platforms such as Facebook and Instagram, blogging and microblogging platforms such as Tumblr, wikis and informational sites, peer-to-peer protocols and file-sharing platforms. Parrot’s artificial-intelligence systems assess billions of data points to reach the overall demand rating



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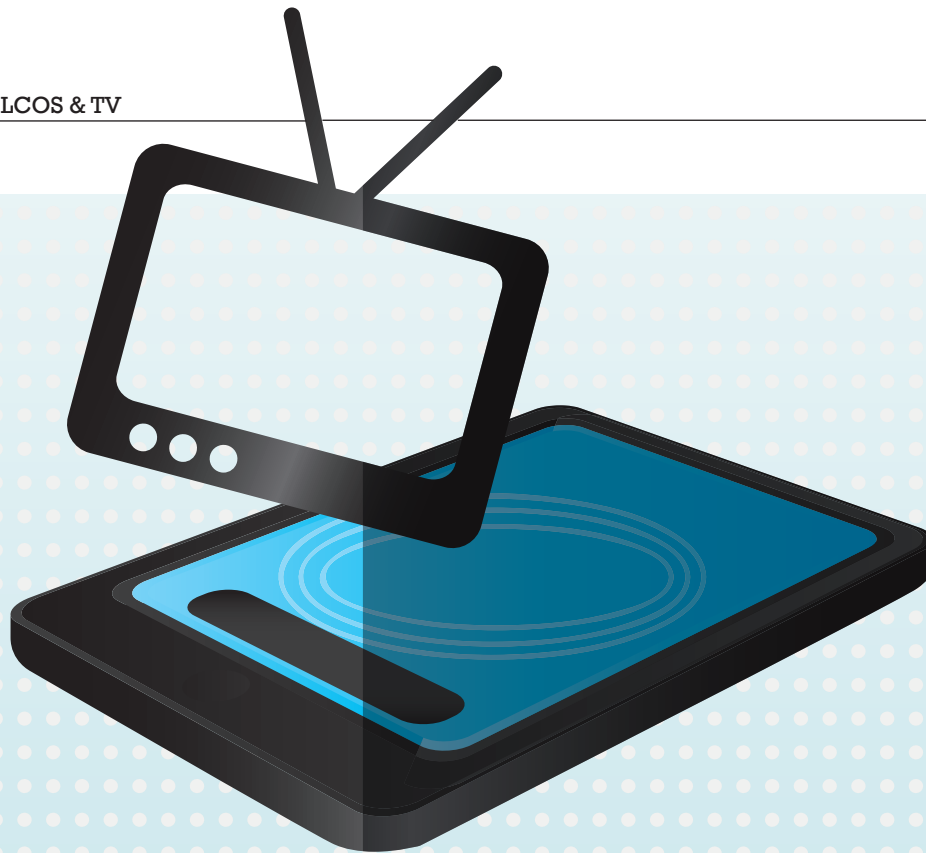


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Telcos target TV

Telecoms operators are increasingly looking to TV to drive new subs, increase customer loyalty and create a new revenue stream. Mark Newman, consultant and former chief research officer at Ovum, looks at which operator is doing what and where... and why

Hong Kong's PCCW is beginning to feel more like a television company than a telecoms operator. When it was invited to speak at the Goldman Sachs Technet conference in April it was to talk specifically about its burgeoning media business rather than its broader telecoms activities. And while PCCW may be an extreme example – gaining access to China fundamentally changes the dynamics of operating a TV business in a market as small as Hong Kong – its enthusiasm for expansion is just one example of a global stampede by telcos into the pay TV business.

While the telecoms business is flat – the fizz went out of the mobile industry some time ago and fixed broadband remains competitive and capital intensive – TV is a relatively young and relatively fast-growing line of business for those operators around the world that have a legacy in retail broadband.

The larger European operators all announced strong growth in their TV business in the first

quarter of 2016. Telefonica recorded a 7% increase to its total number of TV customers. Orange's base of TV users grew by 10% to 8.2 million and Deutsche Telekom had 2.7 million customers on its Entertain TV service at the end of March, up 8.7% year on year. These three groups have all had pay TV offerings in their domestic markets for several years, but they are also now launching TV services as part of a retail broadband offering in those markets where, until recently, their focus was exclusively mobile.

Even Vodafone which, for many years was a pure wireless business, is participating. "Television and content are becoming increasingly important parts of our offering... we have 9.5 million TV customers, with 400,000 added this year," the company said in its annual report.

On a global basis, telecoms operators are set to have 185 million pay TV customers at the end of 2016, according to research and advisory firm Ovum. This number is set to grow by 4% per year through to 2019 compared with 2% for the pay TV market as a whole. Telecoms operators'

share of total pay TV customers was 18.7% at the end of 2015 and will rise to 19.8% at the end of 2019.

GETTING INTO TV

A number of different options are available for telecoms operators to expand into the TV business and the last three years have seen a wave of M&A activity.

Vodafone moved away from its pure-play mobile focus by acquiring cable TV operators in Germany (Kabel Deutschland) and Spain (Ono). Its New Zealand business is currently merging with Sky Television Network. In 2014, Telefonica bought satellite broadcaster Canal+ in Spain and in the same year US giant AT&T announced the US\$67 billion acquisition of American pay TV platform DirecTV.

Joint venturing represents another approach. Australian telco Optus owns 50% of cable TV and satellite operator Foxtel while, Bezeq, an Israeli telecoms operator, owns 49.8% of satellite

TV operator Yes and has won approval for a full takeover of the company.

Other operators have started to develop their own brands and content. PCCW is a prime example. It has access to mainland China TV production companies and has built a business selling Chinese content to other telecoms operators. More recently, BT in the UK successfully launched its own BT Sports service after investing heavily in Premier League football rights.

CHURN REDUCTION DRIVES TV STRATEGIES

While many operators report their TV revenues, very few produce regular data on the profitability of their television services. The real driver for TV is the ability to offer multi-play services and drive greater customer loyalty.

Danish telecoms operator TDC says that churn for customers who only take one service is 21% per year; for customers who take two services churn is 16%; and for those who take three services 13%. However, among those people who buy four services (triple-play plus mobile), churn is just 11%. The benefits of offering multi-

play services are even more striking at Belgian operator Belgacom, where churn levels go from 20.8% for single-play customers to just 2.8% for quad-play users.

Such comparisons between the churn rates of different types of customers give operators a clear mandate to invest in TV services. Bidding for sports rights has been a focus for many operators, but results have been mixed. In the UK, BT's success in securing Premier League rights has given a big boost to the company's retail broadband business. BT's high-speed broadband customers get access to the content for free and monetisation largely comes from Sky and Virgin customers.

Other large operator groups, including Orange and Deutsche Telekom, have won rights to broadcast their own national football leagues in the past, but do not currently own the rights. Deutsche Telekom has scaled back its TV ambitions since losing Bundesliga rights.

Its strategy is now based around reselling the Sky service rather than competing with it.

Beyond sports rights, only a handful of operators have clear strategies for investing in their own programming.

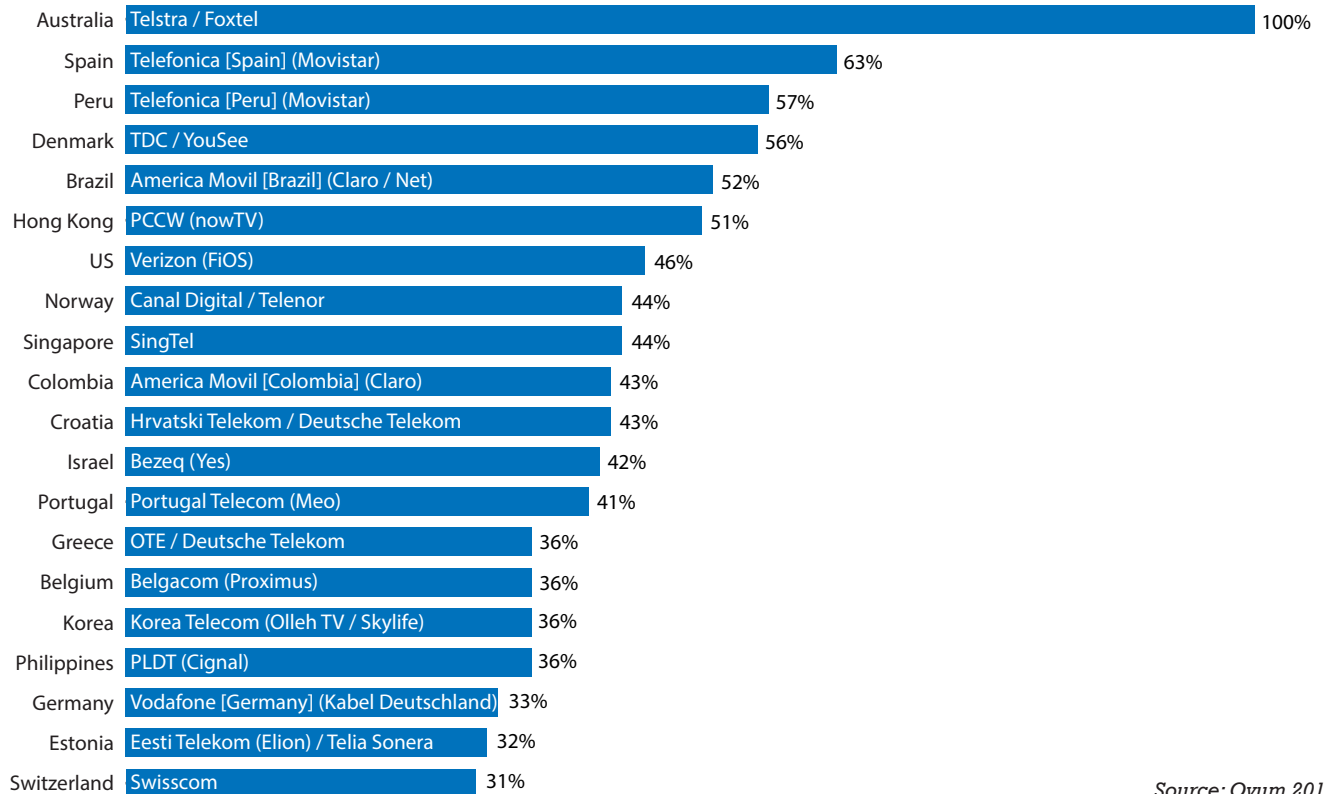
Those that do have little appetite for increasing levels of investment.

French telco Orange has, in the past, been one of the most enthusiastic investors in the media business. In 2008, it launched Orange Cinema Series, a dedicated set of channels, films and television series for its DTH service. While the service still exists today, it may not figure prominently in the company's future TV strategy.

Orange still operates Orange Studio, a subsidiary that coproduces and acquires French-language films. Orange Studio managing director David Kessler has said that its budget fell from €45 million (US\$51 million) in its early years to €20 million in 2015, evenly divided between film production and rights acquisition. The business was loss-making, he added, but his hope was that it would become profitable.

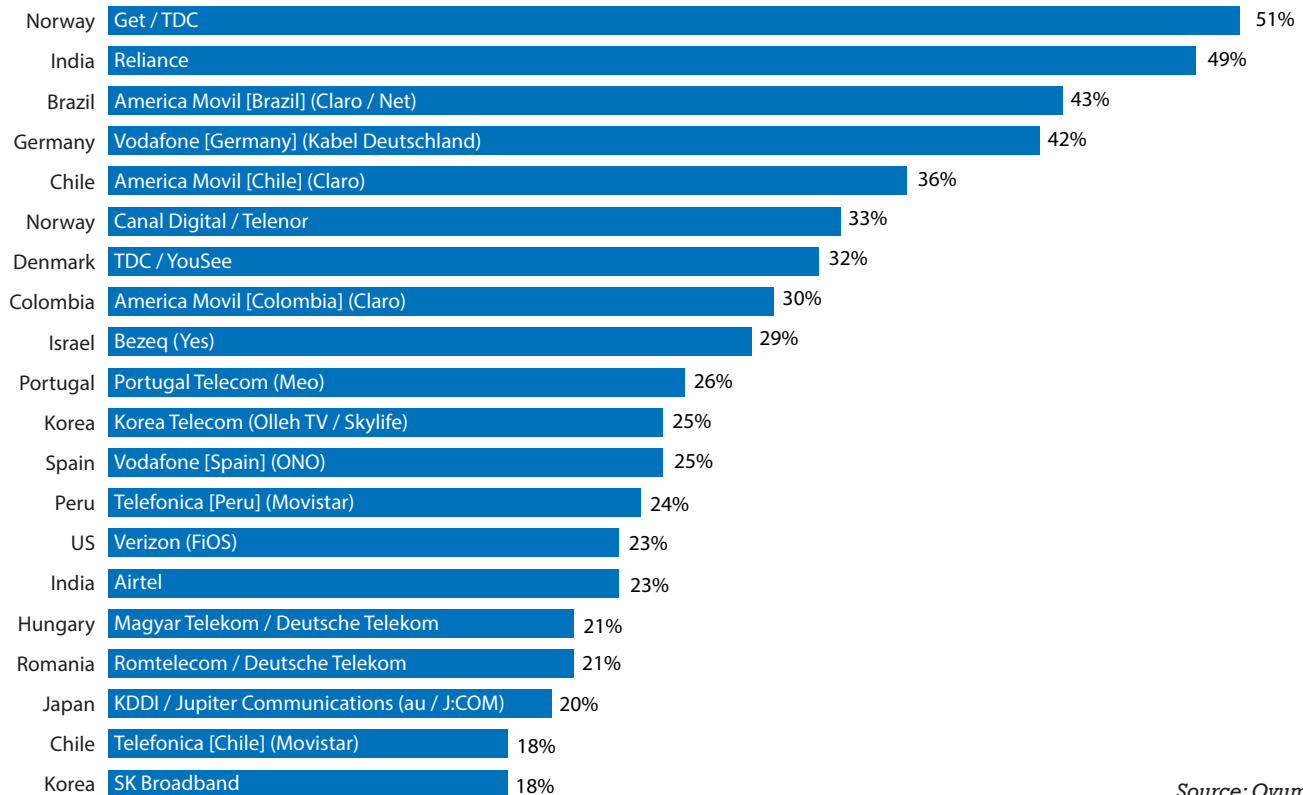
Telefonica is another operator investing in film. In 2013, it set up Telefonica Studios to cluster the group's various production activities in Europe and Latin America under one umbrella. Its strategy has been to forge partnerships with local producers. The firm achieved its three-year plan of investing in more than 20 films in year one. So far it has sold 21 million cinema tickets to

SHARE OF DOMESTIC PAY TV SUBSCRIBER CONNECTIONS



Source: Ovum 2016

TV CONTRIBUTION TO DOMESTIC RETAIL WIRELINE REVENUE



Source: Ovum 2016

its own customers.

Those operators that have large or international footprints are more likely to invest heavily in programming than ones that have modest domestic market and lack expertise in reselling programming rights.

In recent years, Telefonica's expansion strategy has focused on Latin America rather than Europe, and much of Telefonica Studios' growth takes place there, though new original programming investment has gone to SVOD platform Movistar Plus in Spain.

With its acquisition of DirecTV, AT&T launched itself into first place in the US pay TV market, gaining the ability to bundle TV with its existing services nationwide and positioning itself to better compete with cable rivals such as Comcast and Time Warner Cable. Owning DirecTV gives AT&T exclusive content, enabling it to compete with the likes of HBO.

Telecoms operators' TV strategies will increasingly be driven by multiplay and TV Everywhere. There is growing interest in creating mobile-centric content, although there are few good examples of mobile-first services. In Latin America the smartphone is the default screen for

accessing content, so for AT&T – which operates Mexico's second mobile network – mobility needs to sit front and centre of its programming strategy.

AT&T's main US rival, Verizon, has embarked on a mobile-centric strategy with the launch of its Gogo mobile TV service and app. It has already signed up a number of content partners for Gogo including Viacom, Discovery Communications and New Form Digital, but in recent weeks there have been efforts to dampen expectations. Verizon CFO Fran Schammo reminded investors in April that "we are still in the very early stages of gaining traction and engagement", while adding that Verizon remained "encouraged by the viewership".

A PRAGMATIC APPROACH

Pay TV is one of the few success stories for telecoms operators in the consumer market. In their core connectivity businesses, operators have seen massive growth in fixed and mobile broadband adoption and traffic, but this has not generated incremental revenues. Data growth has barely compensated for the decline in revenues from voice and SMS. Their TV

businesses and strategies are, however, still relatively immature. For the time being many operators are happy to base their strategies on distributing rival pay TV packages or over-the-top services such as Netflix – even if they are making little or no profit from these deal – because it helps to drive loyalty among their customer base. For an operator with a customer base of ten million broadband users, a reduction in annual churn from 10% to 5% on a customer base generating an average of US\$50 per month would increase revenues by US\$300 million.

Where reselling a rival service is not a viable option, securing high value sports rights remains the preferred strategy for telecoms operators.

However, this is driving up prices. Orange CEO Stephane Richard referred to the growing challenges of bidding for sports rights during the company's most recent results presentation. "The landscape is moving with new players coming into the game," he said. "Sports rights are becoming more expensive and competitive. We are very pragmatic. Our main concern is to secure the sourcing of critical content for our customers [even if] we have to put more money into content to reach this target." **TBI**

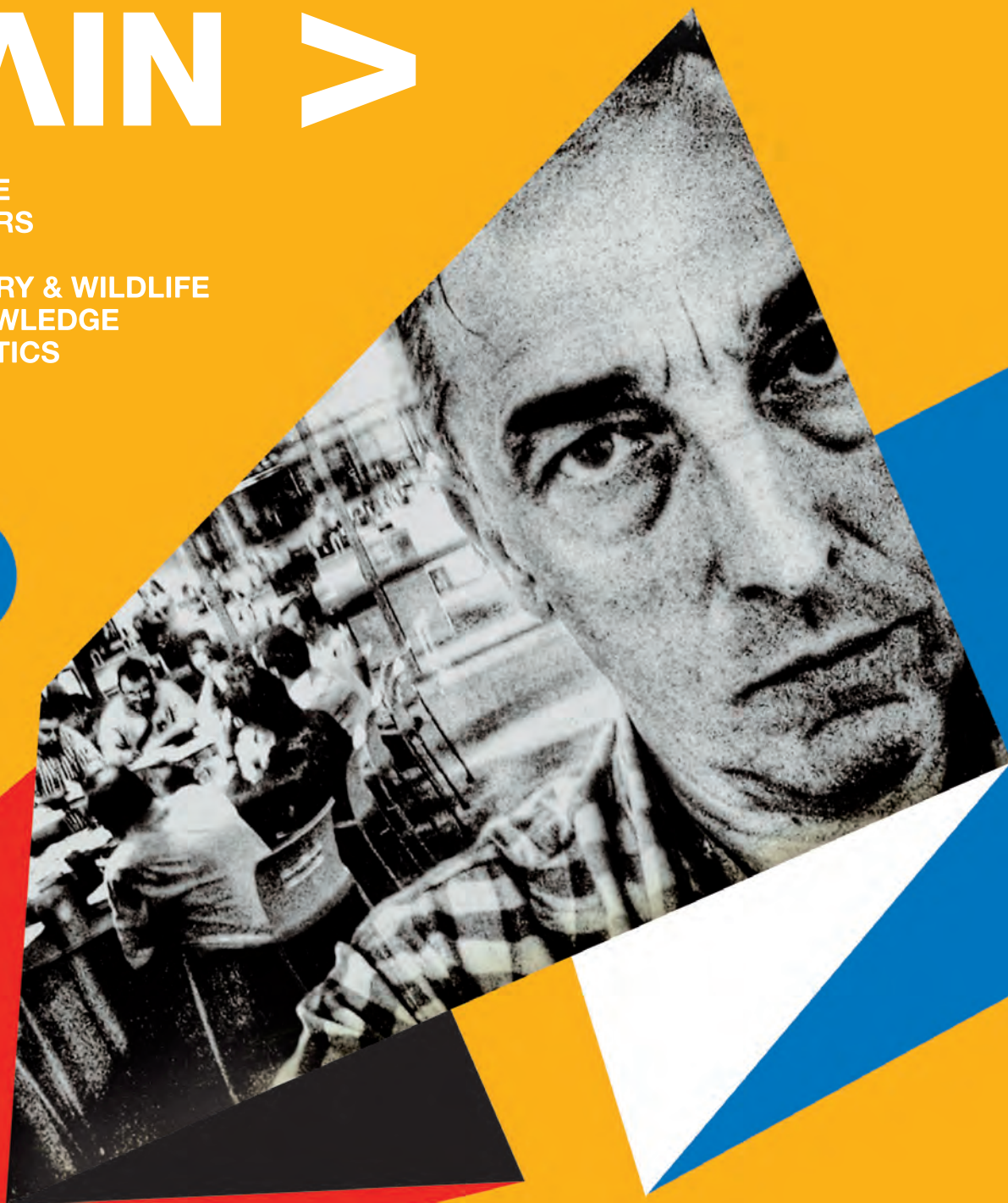
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Hot picks



THE SHOW: *Madiba*

THE PRODUCERS: Blue Ice Pictures, Out of Africa Entertainment, Left Bank Pictures

THE DISTRIBUTOR: Dynamic Television

THE BROADCASTER: BET Networks (US)

THE CONCEPT: Miniseries telling the epic story of Nelson Mandela's quest for political and racial equality in South Africa

"You can be anywhere in the world and see Nelson Mandela," says Dan March, partner at US-based Dynamic Television, which is selling the latest TV recreation of the late, great South African democratic leader's life.

However, *Madiba* is "not just another Nelson Mandela story," says March of the show, which BET Networks commissioned in the US. "This is much broader than a biopic – to tell a story of this scope you need six hours, and that's why it's produced as a miniseries."

Mandela, perhaps the most iconic personality of the 20th century, personally approved the making of the series before he passed away on December 5, 2013. "He requested that this programme was not just about him, but included all the

freedom fighters and people involved in, and dedicated to, toppling apartheid," says March. The episodic series tells the story of Mandela's life from his young days in Johannesburg, focusing on the political unrest of the 1960s that came before he was jailed by the government and kept incarcerated for 27 years.

"It tells the story of his colleagues and friends too, in a chronological manner, following the key events that shaped the revolution," says March, adding: "It's being done as a modern, contemporary story."

In a crowded TV market, having source material as rich and dramatic as Mandela's life is a boon.

Dynamic debuted the series at MIPTV and will be showing buyers at NATPE Europe.

"I'm not sure if there is anyone in the world who doesn't know what he stands for," says March, who launched Dynamic with Klaus Zimmerman in 2013. "He embodies freedom, overcoming adversity and human values. From a marketing perspective this is a very exciting property."

Laurence Fishburne (*The Matrix Trilogy*) plays the lead role, with Kevin Hooks (*Prison Break*) directing. Mandela's grandson, Kweku Mandela from Out of Africa Entertainment, is among the executive producers, whom also include Left Bank Pictures chief Andy Harries.

The series is based on two Mandela books, *Conversations with Myself* and *Nelson Mandela By Himself*. Dynamic has global distribution rights ahead of its 2017 debut in America.

Although known for turns on *Got Talent* and *The Apprentice*, Piers Morgan is a journalist by trade, and brings that expertise to bear in this new true crime show.

Over two parts, Morgan speaks to three convicted killers. One is in prison for slaying her family, one for killing her spouse, and another for murdering her daughter. Morgan gets one-on-one time with each of the killers, conducted from inside of the maximum-security prison in which they are incarcerated.

He also speaks to the other people touched by the crimes, as well as revisiting the crime scenes and details of each case.

The show is produced by Plum Pictures, the prodco that has made a series of successful crime two-parters with veteran UK news presenter Trevor McDonald, including *The Mafia with Trevor Macdonald*, which has now sold into 55 territories.

Hat Trick International is selling the Piers Morgan series and has already shopped it to Nine Network and TV3 in Australia and New Zealand respectively.

The Scandis, well known for their noir drama, have also taken to the series with sales secured with TV4 in Sweden, DR in Denmark and MTV in Finland.

"There are a lot of crime docs about men, but the hook is that these are killer women," says Hat Trick International sales director Sarah Tong.

"This is also about did they do it, as they each claims they didn't; it really asks the question did they do it, and if they did then why?" Over its two-week primetime run on ITV in the UK, *Killer Women with Piers Morgan* averaged 4.8 million, a 20% share, giving Hat Trick's Elyn Morris good supporting numbers for his NATPE sales pitches.

THE SHOW: *A Time to Dance*
THE PRODUCER: Dancing in Time Productions
THE DISTRIBUTOR: Marvista Entertainment
THE BROADCASTER: Hallmark Movies & Mysteries (US)
THE CONCEPT: Romantic TV movie based on the eponymous Karen Kingsbury novel and starring Jennie Garth

A Time to Dance generated 669,000 viewers for US cable net Hallmark when it went out in mid-May, boosted by Karen Kingsbury's social media outreach. The film is an adaptation of her novel of the same name, and sees *Beverly Hills 90210* star Jennie Garth play opposite Dan Payne (*Watchmen*) in the one-off romantic drama.

Garth plays Abby and Payne her husband John, a married couple who have fallen out of love and are planning to tell their daughter about their planned divorce. These plans are thrown into disarray when their daughter announces her engagement. They agree to delay their own announcement, giving them another shot at mending their relationship.

A Time to Dance reacquaints TV movie specialist Marvista, which has international rights, with Karen Kingsbury, having already distributed the adaptations of her novel *The Bridge* (made as *The Bridge* and *The Bridge Part 2* for television).

The distributor will launch the TV film at NATPE in Budapest.

"It has big strengths in Kingsbury's name and Jennie Garth, who is still well-known and someone people still respond to," says Vanessa Shapiro, Marvista's executive VP, coproductions and acquisitions. The TV movie is one of a 15-strong slate Marvista has for NATPE.



THE SHOW: *Killer Women with Piers Morgan*
THE PRODUCER: Plum Pictures
THE DISTRIBUTOR: Hat Trick International
THE BROADCASTER: ITV (UK)
THE CONCEPT: Two-part factual special in which Piers Morgan gets up close with female killers



THE SHOW: *The Beat*
THE PRODUCER: Zodiak
 Belgium
THE DISTRIBUTOR: Zodiak Rights
THE BROADCASTER: VTM
 (Belgium)
THE CONCEPT: High-volume
 constructed reality cop series
 that has been a big hit in Belgium

The Beat ticks lots of boxes for format buyers with a high-volume, cost-effective production model that yields strippable police drama.

The original version launched on Belgian pubcaster VTM in 2014 and in year one 120 episodes had been produced. In a stripped 6.20pm slot the series generated VTM's best daily ratings for five years with a share of about 30%.

Each half-hour instalment has three crimes, generally a serious offence such as a bank robbery, a less serious crime such as a handbag theft, and a more humorous transgression, such as a man drunk in charge of a mobility scooter.

The crimes featured are loosely based on real-life events, culled from newspapers and the internet. The writing team then summarise these for the actors playing the cops, which use these notes as a starting point, improvising much of what ends up on screen.

"They take real-life crimes and re-enact them



with unknown actors," says Andrew Sime, vice president of format sales at Zodiak Rights, which is selling the show. "Then it is, broadly, improvised and has a very naturalistic look."

In reality, Zodiak is selling the production expertise it has amassed making the Belgian show, with the Zodiak Belgium team ready to share its skills with anyone taking the format.

A Danish version, for Kanal 5, was made as a grittier, 10x60mins series last year.

"If you look at law and order formats, there

is an element of national pride and people wanting to see their own police force solve a crime," Sime says. "We have a bank of crime stories that can be adapted, with local stories added. Then there is the fact it is so easily customised, and the economic advantage of the production model!"

Banijay Group-owned Zodiak is also selling the original version, with Belgian content travelling increasingly well, and has 170 eps of the finished version for NATPE buyers.



THE SHOW: *Midnight Sun*
THE PRODUCERS: Atlantique Productions, Nice Drama
THE DISTRIBUTOR: Studiocanal
THE BROADCASTERS: Canal+ (France), SVT (Sweden)
THE CONCEPT: French policewoman partners with Swedish DA in northern Sweden to investigate a brutal murder

Midnight Sun represents the first Franco-Swedish drama coproduction, says Katriona Neylon, executive VP, sales and marketing at the show's distributor, Studiocanal. Each territory

supplies two partners: pay TV network Canal+ and Atlantique Productions are from France and pubcaster SVT and Nice Drama from Sweden.

The 8x52mins dramas follows a French

detective (Leila Behkti) who travels to a remote part of Scandinavia to work with a Swedish officer (Gustav Hammarsten), who is also part of an ancient Scandinavian tribe, to investigate a gruesome murder.

Nice Drama founders Henrik Jansson-Schweizer and Patrick Nebout created the concept before the latter joined Atlantique Productions (and subsequently launched his own firm, Dramacorp), with SVT immediately enthused by the pitch. Canal+, which had announced a push into Scandinavian coproduction, soon joined the party.

"Both broadcasters have been heavily involved with development from the start," says Nice Drama executive producer Stefan Baron.

Filmpool Nord, French producer GMT and the Nordisk Film & TV Fund are also involved.

Significantly, the project found its legs when *Broen* creators Måns Mårilind and Björn Stein took on the project. "They have been supervising everything together," says Atlantique co-chief Olivier Bibas. **TBI**

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eSporting chance

The biggest programme genre of future might come from an unusual source. Jesse Whittock speaks with the companies behind the eSports gaming revolution

Something's been happening in the bedrooms of millennials around the world, and the television world has finally noticed. While producers and broadcasters were attempting to harness the power of user-generated content from YouTube, the eSports industry was growing in parallel and will soon be a US\$1 billion revenue business, according to research house Newzoo.

In the simplest terms, eSports as a viewing experience is streamed video of gamers playing

against each other online, on platforms such as Twitch. At its biggest, eSports can fill huge venues with fans watching their favourite players compete in big-money tournaments, bringing all of the energy and tension of a major sports event.

"eSports has the same drama as any other live competition," says Steven Roberts, executive chairman of ESL, one of the biggest eSports leagues. "A huge percentage consume it like how they would the Premier League or the NFL. There is an understanding of how

millions play the games, and how the pros play the games."

ESL houses professional players of games including Counter-Strike and Mortal Kombat in leagues and tournaments such as the Intel Extreme Masters, ESL One and League of Legends. Around twelve of its pro leagues are powerful enough to have accompanying big arena events, says Roberts.

"We recently had 120,000 people in Katowice, Poland, and the event received 100 million views on the internet," he adds. "We've produced



An ESL live gaming event

about 20,000 hours of live eSports content and have about five studios around the world.”

The numbers have made television and video companies sit up. In September last year, European broadcaster Modern Times Group bought ESL’s parent, Turtle Entertainment for €78 million (US\$88.4 million), as part of strategy to reposition as a digital-first company.

Arnd Benninghoff, CEO of MTG digital unit MTGx Ventures, says the eSports opportunity lies within the ability to monetise the content. “The intrinsic motivation, and I’m always

careful when comparing this to traditional sports but it sometimes makes it easier, is you identify yourself with a team, and that could make you interested in products you can buy related to that team,” he says. “If you play a game like League of Legends you can customise your outfit, for example.”

The issue for TV companies in is how to exploit the opportunity, but eSports firms are taking the initiative. ESL, for example, plans to take the product to linear platforms. It has partnered with Craig Pilgrian and Lionsgate Entertainment’s unscripted producer, Pilgrim Media Group, to create eSports content for TV and digital platforms.

“Lionsgate and Craig are great storytellers, and that opens up a whole new world of different types of people to us,” says Roberts. “We expect to get amazing stories from the Pilgrim Media Group in a way that hasn’t been done before in eSports.”

Roberts says that the professional players, who make most their money through sponsorship and revenue shares with video platforms such as Twitch, need prodcos like Pilgrim to shine a spotlight on their top personalities to take them to the next level. “Traditional sports in the US have shown that if you don’t have a storyline early on viewers are indifferent and you have disenfranchisement,” he says.

Endemol Shine Group’s digital unit, Endemol Shine Beyond, is taking a similar approach, but wants gaming video to go beyond catering for the fanboys and girls. Last October, the company launched eSports and online gaming digital channel Smasher, which features original programming such as *Legends of Gaming*, *Rule’m Sports*, *Game Fame*, *We’re in the Game*, *Fantasy League*, *Pro v Pro* and *Smashed Up*.

“There are not many editorial gaming channels,” says Randel Bryan, Endemol Shine Beyond UK’s director of digital content and strategy. “You want to be authentic for the audience, but want to add scale and grandeur. The reason we’re doing that is to attract brand advertisers and media buyers.”

He describes cult UK format *Legends of Gaming* as “more a showcase of gamers than eSports per se”, but says the basic tenets remain true, despite it mainly featuring amateur players.

“You can have as many likes online as you want, but unless people will transact and put their hands in their pockets you’ll have a limited destination,” says Bryan. As such, the Smasher content aims to add a layer of professional

production eSports fans are not used to. “I don’t think people want to see weak production – [better content] has just not been offered to them,” says Bryan.

Endemol Shine Beyond currently focuses on bedrooms gamers and non-professionals and it primarily distributes its content on YouTube and owned-and-operated platform GetBeyond in the US.

Bryan says success for television companies will come with “huge scale” comprising “layers of user-generated content and [professional] production”. In the long-term, eSports content “is really about who can best replicate the conditions of [traditional] sports”, he adds.

Many are trying to do just that. Comcast is sponsoring ESL leagues, paying for naming rights in the same way businesses pay to name sports stadiums, while The CW has partnered with Machinima to launch web docuseries *Chasing the Cup*. It features the ESL Mortal Kombat X Pro League on its digital network, CW seed, and the main broadcast TV network.

Yahoo and YouTube have both launched alternative platforms to Amazon-owned Twitch, and Turner Broadcasting System has hooked up with WME-IMG to create the ELeague. This will run content on Twitch, on TBS in the US, and on Turner International networks in 80 territories across the African, Asian and European continents.

“We’re looking at this content being watched by a very engaged audience,” says Lauren Foye, research analyst at UK-based Juniper Research. “We see comparisons between the eSports audience and the traditional TV audience. As we go forwards, more people will be watching the live content.”

Juniper’s research forecasts platforms such as Twitch will have a combined audience base of more than 310 million – more than comparable NFL American football audiences – and revenues of around US\$1 billion by 2020. Other forecasters are equally bullish, with Newzoo predicting there will be 145 million ‘eSports enthusiasts’ worldwide by 2017.

Newzoo’s CEO, Peter Warman, has been quoted as saying this year “will be pivotal for esports. The initial buzz will settle down and the way forward on several key factors, such as regulation, content rights and involvement of traditional media, will become more clear”.

How TV companies will fit into the emerging ecosystem isn’t yet known, but as Foye says: “Broadcasters can monetise this content.” **TBI**



TBI Scripted

Television Business International





Survey 2016

Drama's prolonged period in the sun doesn't seem like ending any time soon. In fact, it feels like it might go on longer than anyone could have predicted. In the US, there are approaching 70 cable channels commissioning shows, while Europe has seen an explosion of channels and producers coming together to create programming that would have been unimaginable in scale and volume a decade ago.

That's why we conducted the TBI Scripted Survey 2016, to shed light on why, where and how the genre is evolving, tackling the big issues with anecdotal evidence and hard data gathered from the world's top scripted executives. Lights... camera... action!





Why is there so much scripted programming in the global market today?

The sheer amount of high-end shows regularly launching is staggering. MIPTV and MIPCOM have become mini-festivals where international shows, equal in quality to US drama and comedy, debut. Smaller events such as Berlinale and *Séries Series* are showcases for premium drama, and spaces for creators to come together.

Why is there so much drama? For many we asked, the answer is simple. “It’s because there have never before been so many channels and platforms with that huge need for content,” says Jörg Graf, RTL’s executive VP of productions and international acquisitions.

“There’s a huge demand for drama from all players, SVOD platforms and broadcasters,” confirms Patrick Nebout, founder of French prodco Dramacorp. “This is, in turn, driven by international audiences’ hunger for great stories. In a very unstable world, great storytelling can help us better understand the world we live in.”

Keren Shahar, managing director of distribution at Keshet International puts the demand down to “the proliferation of OTT platforms – Amazon, Netflix and local services – who have the budget to invest in original dramas”.

Javier Méndez, who is head of content at Spain’s Mediapro, says there has, specifically, been a boom in high-end, limited run series. “There is a great demand for this kind of content all over the world,” he says. “People are used to seeing eight-hour stories. We need to provide their ‘food’.”

Zodiak Rights’ head of scripted, Caroline Torrance, adds that the advent of binge-watching and SVOD networks mean that “viewers feel they are able to commit to eight-to-ten-part-series, as they have the flexibility to watch when they want”.

Peter Iacono, president of international television at US studio Lionsgate Television says: **“New platforms and traditional broadcasters are seeking brand-defining original material that sets them apart in an increasing competitive marketplace.”**

The evidence shows the scope and ambition of producers and broadcasters have significantly expanded in recent years – with so much well-produced, well-cast and well-written content around, producing a sub-standard product is potentially devastating for channel brands seeking to stand out in a fragmenting landscape.

“Everyone has recognised that what original programming provides is the ability to build a distinctive brand,” says Carmi Zlotnik, managing director of US premium cable channel Starz.

“We all have come to virtually the same conclusion: the content with the most stickiness for consumers and our business partners is drama,” adds Harold Gronenthal, executive VP, programming and operations for AMC Global and Sundance Channel Global. “A hit drama – a critically-acclaimed drama – can become a truly defining programme.”

For Erik Pack, president distribution at Gaumont Television, drama

has filled a hole in the wider media market, by taking the “opportunity to serve a market that is increasing left behind by the major film studios: character-driven projects with A-list talent”.

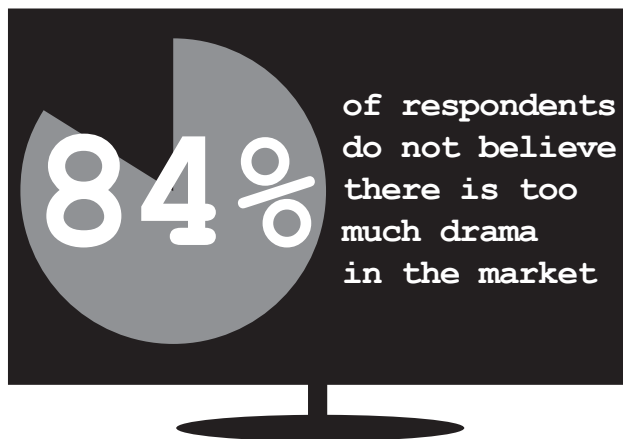
Many agree that TV drama now fills a space once occupied by features. “TV drama is taking the place of mainstream films, in a movie landscape dominated by franchise-based blockbusters and small indie movies,” says Maria Cervera, director of international coproductions at Spain’s Plano a Plano. Put another way, Stephen Cornwell of *The Night Manager* producer Ink Factory, says: “A broadly based, intelligent and engaged audience that used to look to cinema to provide them with interesting and challenging stories and characters increasingly now looks to longer form and continuing narrative on television to do that.”

With a market full of high-end productions, alerting viewers to their existence has become a greater challenge.

“With channels competing more and more for a diverging audience, the best way to grab their attention is through dramas that lend themselves to marketing and ad spend,” says Lila Hurst, founder of British programme finance boutique Drive.

Dan March of Dynamic Television points to a similar phenomenon. “The competition to attract audiences has never been fiercer, and original drama series are marketing vehicles that can be promoted, advertised and talked about,” he says. “These are shows designed specifically for their audience, they create and position a brand, and they give broadcasters a purpose in an otherwise crowded market.”

“Quite simply, there is a lot of really great, high quality storytelling out there and the spectrum of offerings allows all audiences, both broad and niche, to be nicely served,” says Mike Wald, executive VP of international distribution at Sony Pictures Television.





Left to right: Amelie von Kienlin, Alexander Coridass, Pascal Breton, Stephen Cornwell, Guy Bisson



What is the most important way in which Netflix has changed the TV drama market?

It is impossible to talk about the international TV drama scene without asking executives in the business about Netflix. The US streaming service has fundamentally changed the way people watch scripted content, with a ripple effect impacting all areas of the industry.

For ZDF Enterprises president and CEO Alexander Coridass, Netflix has helped drive the rise of non-English-language programming. The biggest change Netflix has made? **“Opening Anglo-Saxon markets to non-English speaking programmes,”** Coridass says. “Netflix is to date the only real global player, eliminating all language or territorial borders,” says Beta Film managing director Moritz von Kruegener making an associated point. “Netflix makes local content global.”

Despite being a US company, commissioning out of the States and largely based in Los Angeles, the streaming service’s 130-country launch earlier this year took it to a different level internationally.

The “impact was felt at a local level around the world”, says Red Arrow International’s senior VP of scripted acquisitions and coproduction, Amelie von Kienlin, although the global footprint would be more impressive if there were accompanying numbers, adds Nick Thomas, practice lead, digital media, at research firm Ovum. “It can access 130 countries instantly, which is great, but the lack of audience data it provides is a problem,” he says.

Stephen Cornwell of *The Night Manager* prodco The Ink Factory says the biggest impact Netflix has had is **“making large scale, high visibility, high cost, and often very creatively- and commercially-bold commitments to projects and talent.** The impact of this has been both good and bad for producers and talent, but it has certainly had a huge effect in terms of catalysing and elevating long-form drama in all sorts of interesting and exciting ways”.

Netflix’s international output is limited compared to what it is ordering from the US, but the volume is increasing. Pascal Breton’s Federation makes its French effort *Marseille*. “Netflix is doubling the drama market and giving a global dimension to shows that were once only local,” he says.

The international roll out means producers can reach, with one deal, a global audience. The challenge and opportunity for distributors is cutting that type of worldwide deal, which is not how business has been traditionally done. BBC Worldwide’s executive producer for international drama, and founder of indie prodco Cosmopolitan Pictures, Ben Donald, says “global rights and windowing” are the biggest change Netflix has had on the market.

“Traditional distribution windows are no longer reliable, and [Netflix] has become the first end-user who truly buys for the world,” says Dan March, managing partner at *Trapped* distributor Dynamic Television. “Our industry remains in the spin cycle of change and Netflix is the washing machine.”



Ampere Analysis research director Guy Bisson notes that “the potential to do global deals is attractive, but it depends on what they pay, plus sellers still need to encourage multiple buyers to get and build, longer term, the best prices”.

It is clear, meanwhile, that Netflix and its SVOD brethren are hungry beasts. Henrik Bastin, CEO, of Fabrik Entertainment, which makes *Bosch* for Netflix rival Amazon, says: “Netflix has driven the need for volume and competition to unprecedented levels, and this is fed by their burn rate: shows are released for binge watching, and this is really what adds to the need for more and more content.”

For Content TV & Digital president Greg Phillips the binge model has changed, and speeded up, the water cooler moment for drama. “Gathering a fan base, a mass of viewers from the onset, creates a certain ‘frenzy’ as viewers are left wanting to binge in order to stay on track with water cooler conversation the next day,” he says.

Most SVOD originals are high-concept and they are almost always serialised shows. “Netflix has tipped the pendulum away from closed-ended series, and changed the way we develop and sell series across all platforms now,” says Sharon Hall, president, Endemol Shine Studios.

This also sets Netflix shows apart from the procedural type of drama that still holds sway in France, Germany and to some extent on networks in the US. “Netflix changed the market, as we see more and more high-concept serialised shows in almost every market,” says Jörg Graf from RTL. “I see a lot of these shows in a way as taking an avant-garde approach... and the avant-garde comes with some delay in its influence on the mainstream market. Maybe we will all benefit from a higher quality in the mainstream and procedural market in coming years.”

There is clearly a knock-on effect in how traditional players commission and produce when a disruptive new player changes the rules.

“We are beginning to see some changes in how drama producers approach storytelling now that they are a little less constrained by the weekly schedule,” says Ruth Clarke, executive VP, global content strategy and investment, ITV Studios Global Entertainment. “The pace of drama is changing, and you can see that not just across OTT, but also hints of this across traditional broadcast too.”



Left to right: David Ellender, Georgia Brown, Ben Donald, Dan Whitehead, Marc Lorber



What is the best way to source IP?

An overwhelming 92.6% of our respondents say good ideas can come to the fore in the current market environment, with just 7.8% undecided and none – 0%, nada, zero, zilch – believing they would be ignored.

“IP can come from anywhere today; no-one in programme development is waiting for the next great script to land on their desk, although that can still happen,” says David Ellender, president of distribution at US prodco Sonar Entertainment.

Many use the line that good ideas can come from anywhere, and this is true to an extent. Georgia Brown, executive VP, global scripted and unscripted at FremantleMedia, gives the example of a UK show currently in development that is “off the back” of a piece of IP owned by the Bertelsmann Music Group, which is part of Fremantle’s parent company.

“You have to think outside the box, and securing IP is about having a clear strategy surrounding what you will do with it, as well as the most creative and passionate response to the material,” she says.

Certain sources are more fruitful than others. Numerous executives cite books, graphic novels and pre-established IP as a key route to market. “There has been a shift towards more authored and less producer-driven content origination,” says Jez Swimer, head of development at UK-based Leopardrama. “Working off established brands has the advantage of leaning on an established brand and a pre-existing relationship with the audience.”

Recent examples include the BBC working with Lookout Point and The Weinstein Company to create a new version of Russian classic novel War and Peace. The BBC also commissioned ITV-owned Mammoth Screen to reboot 1975 series *Poldark*, which itself was an adaptation of Winston Graham’s mid-20th century novel series.

Ben Donald, BBC Worldwide’s drama chief, says there has been “an inflationary rush on branded or iconic IP”, but adds: “There is still a lot of work to be done by the producer and writer to make it work and be original in the grammar of television.”

Katrina Neylon at Studiocanal says her company’s development team is constantly considering which of its 5,000 library titles could be reworked.

Comic books have become a more important part of the ecosystem since Warner Bros. and The Walt Disney Company started really mining the DC Entertainment and Marvel Entertainment Universes, and AMC struck gold with *The Walking Dead*. This has had a knock-on effect, says Dan Whitehead, head of drama and digital at research house K7 Media.

“The canniest media companies are reaching out directly to TV producers, and helping to drive development, rather than waiting for licensing deals to come along,” he says. “This is particularly notable in comics, no doubt emboldened by Marvel’s success as a studio in its own right.

“Larger indie publishers like IDW and Boom are now actively pushing their titles for TV adaptation, and staying involved in the process.

The production model these days is far more intimate and

collaborative than the ‘sign and forget’ IP deals of yesteryear.”

Indeed, for many, there is nothing more important than the relationship. “We have found that the most valuable way to source new projects is through relationships with behind-the-camera talent,” says Michael McGahey, VP of series at LA-based Marvista Entertainment.

“Staying in contact with smart and creative people is important,” adds Carmi Zlotnik at Starz.

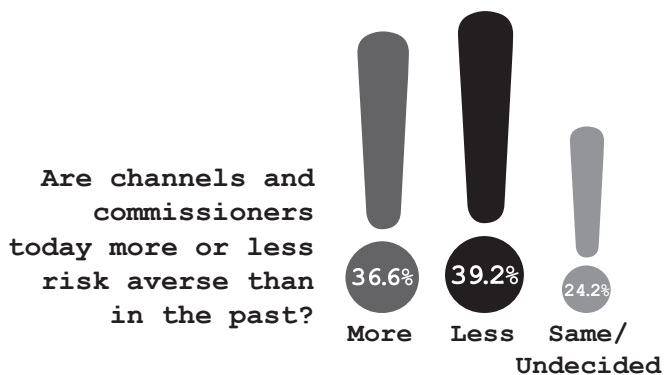
Endemol Shine Studios chief Sharon Hall says ideas are “literally coming from every corner of the globe. Here at Endemol Shine, we are fortunate to have access to hundreds of successful formats and many of the top writers and producers in the world”.

A number of respondents such as Mediapro Group’s head of content, Javier Méndez, connect modern development trends to current affairs. “We’re seeing an increasing amount of drama connecting with current events, or the fears of society: the danger of the internet and living in a digital world, and issues like immigration,” agrees About Premium Content co-founder Emmanuelle Guilbart.

The likes of Showtime have been tapping into real life events for inspiration in recent years – terrorism-themed *Homeland* is now into a fifth season, while its new series, *Billions*, looks into high-level corruption within hedge funds.

Marc Lorber, a consultant at Lionsgate Television and formerly head of programming at HBO Europe, says one upside in today’s market is “that ideas and creative DNA are flowing across what has become a flat world.” meaning that “for the first real time creators have the opportunity to work in other languages and territories”.

Guy Bisson from Ampere Analysis, says the process of sourcing those ideas remains similar to how it has been done in the past. “I don’t think, for high-end drama at least, there is that significant a shift in sources of IP as yet.” Others see the market as way too competitive to comment. “I can’t reveal my sources!” says Gaumont Television president Gene Stein.



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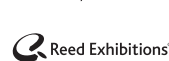
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Left to right: Carrie Stein, Greg Phillips, Stuart Baxter, Emmanuelle Guilbart, Ruth Clarke



What is the most important change in the way that scripted projects are financed?

There are an unprecedented number of ways to get a scripted project funded in the contemporary drama market.

It used to be so simple. “In the past there was basically one path to creating a series: to develop a script and shoot a pilot, and then hope the pilot would be ordered to series by a network,” says Carrie Stein, executive VP, global productions at Entertainment One. **“Today, there are a number of ways to finance a series and many of those paths no longer rely as heavily on pilots or on a single domestic US buyer.”**

Overall, is it a better drama market than 12 months ago?



The starting point is no longer necessarily a single linear broadcaster in the producer’s local territory and Content Television president Greg Phillips notes: “The traditional methods continue, but there are new ways to fund scripted projects from different sources, diminishing total reliance on a single primary broadcaster.”

As budgets and the volume of drama ordered increase, so does the complexity of financing a project, and the array of options available to both buyers and sellers. It is clear that that, from film finance models, coproduction, deficits, and an array of new buyers, content companies have a greater range of options than ever.

Within that changing landscape the role of the distributor is changing. “There are now as many models and solutions available as there are types of scripted shows,” says About Premium Content’s Emmanuelle Guilbart. **“We are observing a massive transfer of risk from the creators towards distributors.”**

Stuart Baxter, president, eOne Television International, underlines the point that sales houses are taking on more of the financial burden and risk. “With so many new commissioners participating, most will only part-finance a show – so the distribution community is carrying much of the risk on a much broader and larger drama slate,” he says.

After a wave of consolidation, the biggest distribution firms can now

offer a greater proportion of a budget upfront than ever before, and “distributors are putting up larger distribution advances, and becoming coproduction and development partners on projects”, says Zodiak Rights’ drama boss, Caroline Torrance.

What is the single most important change in the way that scripted projects are financed? “The proliferation of tax credits, which has caused more money to be available, but also price inflation,” says Maartje Horchner, head of acquisitions at All3Media International. “This has inadvertently spawned the coproduction market.”

As movie talent migrates to TV, the television business is appropriating the financing models see in the features world. The sheer scale (and cost) of many contemporary dramas, as well as the availability of local tax incentives, have driven coproduction to a new level.

The move to copros clearly affects the creative process, as broadcasters readily admit. “There are a lot of projects that are too expensive for one company to produce, so you need to find partners – this influences the story of course,” says Karni Ziv, head of the drama and comedy department at Keshet Media Group. “It needs to be a story in which the core touches upon universal themes, like *The A Word*, which touches upon the basic fears and hopes of families all over the world.”

The actual proportion the commissioning broadcaster can fund is often shrinking as programme budgets increase in size faster than pots of commissioning money. These shrinking budgets are driving the copro activity and partners increasingly want to get involved early in a hyper-competitive drama market.

“Budgets decreasing within broadcasters ensures a strong need for coproduction; this isn’t new however, but the financing is put together much earlier,” says FremantleMedia’s executive VP, global scripted and factual Georgia Brown.

She adds that Fremantle is “funding scripts and treatments to be able to secure rights and financing later in the process”.

There is also a greater buy-in from the US in term of copros and international drama, adds Sarah Tong, sales chief at UK-based Hat Trick International. “Big buyers such as US broadcasters and digital platforms are now not just looking at US content, but happy to look further afield for coproductions, presales and even straight commissions,” she says.

ITVSGE’s Ruth Clarke, meanwhile, sums up the thoughts of many. “There is no room for pre-prescribed funding models anymore,” she says. “Expectations are higher, budgets more ambitious and networks often unable to fully fund a commission – getting a show from paper to screen requires ever more creative funding models.”

For Dramacorp founder Patrick Nebout, “anything goes”. He says: “The most important change is that suddenly, all financing models are possible. Every project has its own financing set-up.”

Left to right: Michael McGahey, Jörg Graf, Sharon Hall, Craig Cegielski, Korbinian Hamberger



How have viewing habits changed the way drama is produced and sold?

With global services to feed, the search for universal drama stories has become keener. Paradoxically, very local-specific stories can also find new homes on streaming services too, where success isn't measured in viewer numbers. What is clear is that at an inception and development level, the process has become more creator-driven. SVOD services are keen to indulge passion projects from big-name talent and also will hand greater control to a creative team than a traditional broadcaster or pay net.

"Dramas are much more creator-driven than ever before," says Michael McGahey, VP of series at LA-based Marvista Entertainment. **"Even traditional cable series are being designed with binge-viewing in mind.** Programming is burning off quickly and now that the Pandora's box has opened, this model is here to stay."

SVOD calls for longer stories, and cliffhangers that should drive immediate viewing, not those demanding an appointment-to-watch a week later. It also, arguably, allows for more nuanced storytelling.

"Binge viewing has had an impact on story arc and character development," says Ampere Analysis research director Guy Bisson. "It really is easier to carry across more complex characters and stories when you can watch back-to-back in a more movie-like viewing experience, and also 'catch-up' for a proper recap."

Germany-based TV writer, and member of the Dirty Dozen collective Korbinian Hamberger agrees there is room for more complex stories to be told. "Creators don't have to worry whether a viewer might miss one episode or not – because they won't," he says. "The result is more complex character development, highly serialised storylines and the freedom of having a bigger variety of episodes."

Bingeing series means a glut of serialised projects in the market designed to draw a viewer into marathon watching sessions. Conversely, the big free TV stations in France, Germany and elsewhere have been crying out for more procedurals, and the feeling among the execs we spoke with was that the industry has started listening, with 63% of respondents suggesting this kind of sit-back popcorn TV is making a comeback.

"We are aware of the changes in the demands of the viewers in general such as binge watching, nevertheless, we need to realise that the majority of our target audience in Germany still wants to watch more classical procedural shows," says RTL's chief buyer, Jörg Graf. "There hasn't been a big change in terms of which stories we can tell, but once we see potential in a show we have to ensure that our audience has access to the show apart from a linear transmission. Non-linear distribution has definitely become a must-have."

Whether scripted or procedural, what this means is that talent is kept busy, and by extension in short supply. Timelines also, paradoxically, are lengthened and compressed. With so many partners fighting for the best ideas, straight-to-series orders are more forthcoming, even with US networks.

"The biggest change is we are now all in the series development business, not the pilot development business," says Endemol Shine Studios president Sharon Hall. "It has changed the calendar of our work seasons. Often, the writers' room has completed eight to ten, or more, scripts before we even go into production. I often find myself 'missing' pilots – even though they were not cost-effective nor indicative of what the series would look or feel like, they gave you an opportunity to course-correct. In the direct-to-series world, the scripts and time to prep properly are paramount."

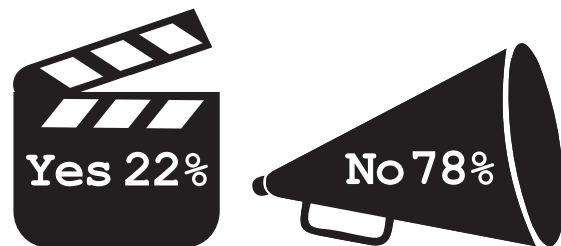
The global rise of SVOD has also allowed creators to play with formats and run-times. Without the need to break for commercials, or for an episode to last an exact time, the creative team has a newfound freedom. That is also a challenge for a distributor.

"Studios no longer simply produce a traditional 42-minute, self-contained episodic series," says Entertainment One's executive VP, global production, Carrie Stein. "With the on-demand world, producers now need to blend the traditional with the untraditional to produce a hit."

The length of project is increasingly flexible, and while long-running weekly series will always be in demand, broadcasters are also going for highly marketable, shorter, event series, which vary in episode number.

Even assuming a channel does have a great drama series, the concern is it gets lost amid hundreds of other options. *Breaking Bad* was a famously slow burner until Netflix allowed viewers to binge the series, in turn

Are the US studios as influential as ever?



building a fan base on linear TV. However, the landscape has got more cluttered, and marketing becomes a key challenge in that environment. "Social media has transformed how shows are marketed and how viewers expect to consume all media," says Craig Cegielski, co-CEO, FremantleMedia North America. "Engagement with audiences is key – enabling viewers to be brand champions can help a series break through, and if nurtured correctly, those champions can drive enough passion and awareness to create the next mega hit." **TBI**



The network series game is big business, and that's why ABC, CBS, Fox, NBC and The CW have ramped up the stakes for the 2016/17 season. Many of the new dramas and comedies are toplined by major TV and film stars, as the channel chiefs bet big on star power.

An extensive list of established stars – Matt LeBlanc, Michael Weatherly, Katherine Heigl, Ted Danson, Kristen Bell, Kevin James, Jenna Elfman, Kiefer Sutherland, Hayley Atwell, Allison Tolman, Minnie Driver and Bill Paxton among others – lead new season shows. Quickly registering with audiences is clearly all-important for the 2016-17 season.

The Good Place

Star profile

The US broadcast networks are going big this year, with popular actors, producers and franchises anchoring new season schedules and on offer to buyers at the LA Screenings. Jesse Whittock reports from the City of Angels

“This year, we have more star-driven series featuring top names synonymous with the comedy genre,” says Belinda Menedez, president, NBCUniversal International Distribution & Networks. “Created by Michael Schur, who also brought us *Parks and Recreation* and *Brooklyn Nine-Nine*, *The Good Place* stars Ted Danson and Kristen Bell, while *Great*

News is from Tina Fey and Robert Carlock [*30 Rock*], and Marlon Wayans stars in *Marlon*.”

Among CBS’s big new drama bets is *Bull*, the new vehicle for Michael Weatherly, who recently left his role as Agent DiNozzo in the world’s most-watched procedural, *NCIS*.

“Michael Weatherly is obviously, as a result of *NCIS* and evidenced by the huge ratings for his last episode, a global star,” says Armando Nuñez, CEO and president of CBS Corp.’s sales arm, CBS Global Distribution Group. “His role in this unique legal drama, which really looks into the psychology and process within juries and jury selection, is going to generate a huge amount of interest around the world.”

Katherine Heigl (*Grey’s Anatomy*) stars in another of CBS Studios International’s major new dramas, *Doubt*. She plays a defence attorney who falls in love with a man who may have committed a brutal murder. “Her presence alone will generate interest,” says Nuñez.

The series is also notable for being the first example of a broadcast network show casting a transgender actor, *Orange is the New Black*’s Laverne Cox, as a series regular. Many buyers enjoyed the hybrid legal-serialised format, though one buyer questioned its international potential.

ABC miniseries *When We Rise*, focuses squarely on LGBT themes, charting the rise of the community’s civil rights movement from its infancy through to the modern day, with Guy Pearce (*L.A. Confidential*) and Mary-Louise Parker (*Weeds*) starring, Gus Van Sant (*Good Will Hunting*) directing and Dustin Lance Black (*Milk*) writing.

“ABC in particular has a very proud record of supporting diversity and this is another manifestation of that,” says Mark Endemano, senior VP and general manager of Disney Media Distribution, EMEA. “It’s got great auspices, and it’ll be a really interesting show with big name talent.”

“When you get stars of the ilk of Kevin James and Jenna Elfman coming back to the networks that made them big stars in the first place, you’re going to see a lot of buzz,” says Keith Le Goy, president, international distribution, at Sony Pictures Television, in reference to CBS comedy *Kevin Can Wait* and ABC’s *Imaginary Mary*.

The former marks comic actor, movie star and stand-up James’ return to the Eye network – and to broadcast television – following his nine-year run starring in *King of Queens* between 1998 and 2007.

Kevin Can Wait was CBS’s first pick-up of the new season, reflecting its commitment to multi-cam comedy, a genre in which both Fox and ABC have no new efforts in this year.

“Everyone wanted Kevin, who is an icon of television and now a big movie star,” said Le Goy. “CBS made him a star and the reunion with them is an obvious and powerful one.”

The show follows James as a newly-retired New York cop and family man. In Canada it has already sold to Global.

Imaginary Mary is Elfman’s latest network vehicle and her return to ABC. Though she has appeared as a regular in NBC’s *Growing Up Fisher* and starred in CBS’s *Accidentally On Purpose*, she’s best known for ABC romcom *Dharma & Greg*. Her new show is about a child-phobic career woman whose imaginary childhood friend re-emerges after she moves in with her boyfriend and his kids.

Big name producers remain in vogue this season. Warner Bros. has again looked to Greg Berlanti, with the *Legends of Tomorrow*, *Arrow* and *The Flash* helmer overseeing production of The CW’s soapy series *Riverdale*, which is based on characters from Archie Comics.

20th Century Fox Television Distribution, whose international



president Marion Edwards describes the 2016/17 slate as “the biggest I can remember”, was offering up *Empire* writer Lee Daniels’ latest effort, *Star*, which is about an emerging girl group, at the Screenings. “It’s a combination of *Dream Girls* and *Destiny’s Child*,” says Edwards, adding it differs from *Empire* because “it’s more Beyonce than hip-hop”.

ABC, meanwhile, has once again leaned on the talents of Shonda Rhimes, commissioning Romeo and Juliet-inspired *Still Star Crossed*. “It’s another Shondaland show and is a fascinating premise,” says DMD’s Endemano. “This goes back to 16th century Verona – it’s a period drama that picks up where *Romeo and Juliet* left off.”

Warner Bros. International Television Distribution was the one studio that declined to be interviewed for this piece, but was offering buyers series that speak to the major development trends this season.

Training Day, *Lethal Weapon* and *Frequency*, for CBS, Fox and The CW respectively, began life as movies and have been adapted for television, following on from the likes of *Rush Hour*, *Minority Report* and *Limitless* from last season (all since cancelled). All three new shows were well received on Warner’s Burbank lot.

Time After Time, a mid-season drama based on Karl Alexander’s 1979 novel is one of a number of time travel-related series, while *Powerless* is a new take on a superhero show.

For CBS, the reboot trend sees it updating 1980s crime sleuth series *MacGyver*. “It was and is a very recognisable franchise around the world; one of the only shows from the 1980s that actually travelled well [globally] on the limited number of channels back then,” says Nuñez. “To ‘MacGyver’ has even become a verb in the Oxford English Dictionary.” (It means to make or repair an object in an improvised or inventive way, making use of whatever items are at hand.)

Whether or not studios favour reboots because they are cheaper to develop or have in-built fan bases, “it’s not just about pulling an IP out of your library and doing it”, says Nuñez. “We managed it with success with *Hawaii 5-0*, but it’s tricky because you’re bringing something with brand recognition, but not necessarily much awareness of the specifics.”

NBC has reworked Liam Neeson action trilogy *Taken*. “Series based on existing IP are beneficial for international buyers, as they have built-in brand awareness, which helps them stand out from the crowd, and with an existing fan base, these series are easier for our clients to promote,” says NBCU chief Menendez.

Time-travel series can be seen in several slates this year, with *Time After Time* joined by Fox’s *Making History*, and NBC handing its coveted 10pm Monday slot to the Sony Pictures Television-produced *Timeless*.

“Shows like *11.22.63* and our own *Outlander* cover the same dynamic, involving that huge curiosity within people that wonders what it would be like to live in a different time and place,” says Sony’s LeGoy. “You experience a different kind of life, you know more than the people living in that era and that’s a big curiosity.”

Making History follows two modern men who travel back to 1775 to ensure the American Revolution takes place after one inadvertently stops it. “It is a very different take on time travel: messing everything up and then having to go back and fix it,” says Fox’s Edwards.

On the superhero front, changes are afoot. *Supergirl* has been moved from CBS to The CW and ABC has axed *Marvel’s Agent Carter* and *Marvel’s Most Wanted*, the latter of which did not pass the pilot stage.

Warner’s *Powerless*, which is set for NBC, is a workplace comedy about the staff who clear up after the DC Universe superheroes. It follows Vanessa Hudgens as a claims adjuster for the likes of Wonder Woman and Aqua Man, who works for a nightmare boss.

For international buyers, especially channels such as TFI and RTL in Europe, a worry has been a lack of procedurals coming from the networks. Studio sales bosses say this season goes a long way to allaying those fears.

Sony’s LeGoy claims *The Blacklist: Redemption*, which is a spin-off of NBC’s *The Blacklist*, plus *Timeless* and ABC’s *Notorious*, which has broken into the Alphabet network’s Thursday Shondaland block, are three that meet this demand. “This is a great response to that,” he says, adding they offer “the satisfaction of the weekly resolution and the deeper satisfaction of the mysteries resolving over longer storylines”.

Fox’s *APB*, meanwhile, is a “strong procedural drama” about a young internet billionaire who attempts to improve a police precinct using technology. “It’s very fast-paced with a case each week to solve,” says studio chief Edwards.

NBCU’s Menendez points to the fourth instalment of Dick Wolf’s *Chicago...* franchise, *Chicago Justice*, as another example. “Procedurals appeal to a broad audience and continue to perform very well internationally – especially top-quality series like those in the *Chicago* brand which come from a world-renowned producer and consistently garner impressive ratings,” she says.

Disney’s Endemano says there is a definite skew in favour of serialised series this season, but that the Mouse House has “always wanted the right balance for our EMEA clients”. He adds: “For them, procedurals in particular tend to play really, really well. Free-to-air broadcasters always want to get that mix of procedural, which ensures story of the week content, with the event, serialised dramas.” **TBI**

++US NETWORK PICK-UPS 2016-17+++US NETWORK PICK-UPS



AMERICAN HOUSEWIFE (Prod: ABC Studios, Kapital Ents **Dist:** Disney)
CONVICTION (Prod: ABC Studios, Mark Gordon Co., eOne TV **Dist:** eOne)
DESIGNATED SURVIVOR (Prod: ABC Studios, Mark Gordon Co., eOne **Dist:** eOne)
DOWNWARD DOG (Prod: ABC Studios, Legendary TV **Dist:** Legendary)
IMAGINARY MARY (Prod: Sony, Happy Madison, ABC Studios **Dist:** Sony)

NOTORIOUS (Prod: Sony Pictures TV, ABC Studios, The Firm **Dist:** Sony)
SPEECHLESS (Prod: 20th Century Fox TV, ABC Studios **Dist:** Fox)
STILL STAR-CROSSED (Prod: ABC Studios, Shondaland **Dist:** Disney)
TIME AFTER TIME (Prod: Warner Bros. TV, Outerbanks Ents **Dist:** Warner Bros.)



BULL (Prod: CBS TV Studios, Stage 29 Prods, Amblin TV **Dist:** CBS)
DOUBT (Prod: CBS TV Studios, Timberman/Beverly Prods **Dist:** CBS)
THE GREAT INDOORS (Prod: CBS TV Studios **Dist:** CBS)
KEVIN CAN WAIT (Prod: CBS TV Studios, Sony Pictures TV, Hey Eddie Prods **Dist:** Sony)

MACGYVER (Prod: CBS TV Studios, Lionsgate **Dist:** CBS)
MAN WITH A PLAN (Prod: CBS TV Studios, 3 Arts Ents **Dist:** CBS)
PURE GENIUS (Prod: Universal TV, CBS TV Studios, True Jack Prods **Dist:** NBCU)
TRAINING DAY (Prod: Warner Bros. TV, Jerry Bruckheimer TV, Fuqua Films **Dist:** Warner Bros.)



24: LEGACY (Prod: 20th Century Fox TV, Imagine TV, Teakwood Lane Prods **Dist:** Fox)
APB (Prod: 20th Century Fox TV **Dist:** Fox)
THE EXORCIST (Prod: 20th Century Fox TV, Morgan Creek Prods **Dist:** Fox)
LETHAL WEAPON (Prod: Warner Bros. TV, Good Session Prods, Lin Pictures **Dist:** Warner Bros.)
MAKING HISTORY (Prod: 20th Century Fox TV **Dist:** Fox)

THE MICK (Prod: 20th Century Fox TV, 3 Arts Ents **Dist:** Fox)
PITCH (Prod: 20th Century Fox TV **Dist:** Fox)
PRISON BREAK (Prod: 20th Century Fox TV **Dist:** Fox)
SHOTS FIRED (Prod: 20th Century Fox TV, Imagine TV, Undisputed Cinema **Dist:** Fox)
SON OF ZORN (Prod: 20th Century Fox TV **Dist:** Fox)
STAR (Prod: 20th Century Fox TV, Lee Daniels Ents **Dist:** Fox)



THE BLACKLIST: REDEMPTION (Prod: Sony Pictures TV, Davis Ents, John Eisendrath Prods, Flatwater Scribe **Dist:** Sony)
CHICAGO JUSTICE (Prod: Universal TV, Wolf Ents **Dist:** NBCU)
THE GOOD PLACE (Prod: Universal TV, Fremulon, 3 Arts **Dist:** NBCU)
GREAT NEWS (Prod: Universal TV, Little Stranger, 3 Arts **Dist:** NBCU)
MARLON (Prod: Universal TV, 3 Arts, Wayans Brothers Ents, Bicycle Path Prods **Dist:** NBCU)

MIDNIGHT, TEXAS (Prod: Universal TV, David Janollari Ents **Dist:** NBCU)
POWERLESS (Prod: Warner Bros. TV, DC Ents **Dist:** Warner Bros.)
TAKEN (Prods: EuropaCorp TV USA, Universal TV **Dist:** NBCU)
TIMELESS (Prod: Sony Pictures TV, Davis Ents, Kripke Enterprises, MiddKidd Prods **Dist:** Sony)
THIS IS US (Prod: 20th Century Fox TV **Dist:** Fox)
TRIAL AND ERROR (Prod: Warner Bros. TV, Barge Prods, Good Session Prods **Dist:** Warner Bros.)



FREQUENCY (Prod: Warner Bros. TV, Lin Pictures **Dist:** Warner Bros.)
NO TOMORROW (Prod: CBS TV Studios, Electus **Dist:** CBS)
RIVERDALE (Prod: Warner Bros. TV, CBS TV Studios, Berlanti Prods **Dist:** Warner Bros.)
SUPERGIRL (Prod: Warner Bros. TV, Berlanti Prods, DC Ents **Dist:** Warner Bros.)

Key (full distribution companies' names)
CBS: CBS Studios International
Disney: Disney Media Distribution
NBCU: NBCUniversal International Television Distribution
Sony: Sony Pictures Television
Fox: 20th Century Fox Television Distribution
Warner Bros.: Warner Bros. Worldwide Television Distribution

LAST WORD



SOPHIE FERRON

Canada: the battle continues

At the end of last year I penned an opinion piece for TBI about the drastic changes that were about to be implemented in the Canadian broadcasting industry and offered some thoughts on way forward.

Months down the line there is even more to say, both positive and negative, but there are no real resolutions as yet and to a large extent, the industry is treading water.

This year has proved the slowest ever start to a commissioning year and there is a pervasive uncertainty amongst broadcasters and producers that, along with lingering legislative constraints, continues to stifle risk-taking and innovation.

The 700 job losses at Bell Media last year and those more recently from the Corus and Shaw merger have forced people to step into new roles as well as manage more channels. Naturally, these people are still finding their feet and coming to terms with an increased workload.

My worry is that nobody is taking care of business and this in itself could result in further cutbacks. Small producers are concerned these cuts benefit the larger prodcos; commissioners would, for example, rather spend much less time – and probably money – with one big producer making a raft of programmes than with different producers for every show.

Practically speaking, these larger producers will inevitably be taking on some of the broadcasters' workload, and this could be very appealing. A few smaller producers have already closed this year, or have been taken over, and more are expected to follow.

One of the major changes implemented by the CRTC's (Canadian Radio-Television and Telecommunications Commission) review last year was the unbundling of channels. This came into effect on March 1, 2016 and now broadcasters have to offer 'skinny', pared-down packages and added pick-and-play deals to give viewers more cost-effective options.

As predicted, with money ceasing to flow to some of the smaller, less-watched channels, we are starting to see casualties. Canal Argent, a financial/business channel, has folded for example, with attendant job losses, and I estimate that we could lose up to ten more channels within the next twelve months.

Canada's TV advertising revenues have been flat for nearly five years so channel owners are now desperately looking for shows that will sell subscriptions; invariably content with big name celebrities that will generate good PR. In theory, broadcasters have a little more commissioning flexibility this year as, following the CRTC recommendations, individual channels can now move outside their original genre restrictions. However, there is no such flexibility granted to producers if they wish to receive vital tax credits.

The criteria for tax credits was established more than two decades ago, and while it once was a cushion that helped protect and grow the production industry, it is now smothering us and slowly draining the life out of the industry.

One of my own productions provides a good example. *True Sex Confessions*, a show featuring everyday people discussing their love lives, initially qualified for funding as a documentary series. During production, government factotums criticised it for being 'too entertaining', and we were asked to greatly increase the level of factual information and statistics to put this show back in the right box. Needless to say we were not happy, but significantly, neither was our broadcaster and, ultimately, the viewer.

Working to such contrived criteria is the antithesis of making the best shows possible, so how can this benefit the industry? This level of intervention will produce mediocre content that becomes less and less popular as unregulated new providers such as Netflix grow. Plus, we certainly won't be competitive on the global stage.

But, I hear you say, great Canadian scripted content such as *Falling Skies*, *The Tudors*, and new

comedy *Schitt's Creek* are travelling well. Indeed they are, as there is no government intervention in scripted content; no crazy, limiting criteria to meet and no need to be overtly Canadian.

If unscripted programming was allowed to follow suit, but still had some level of financial support, our industry would be forced to sharpen up and make programmes that viewers really wanted to watch. Viewers don't really care where great content comes from, they just want to be entertained and informed, and I strongly believe that they are the best people to advise us on what they want to see, not blinkered politicians.

We are still very much in the pain before gain period, but there are big two chinks of light in the proverbial tunnel since I last wrote.

I stated that an industry association, where producers and broadcasters came together to drive the agenda, would be welcome. Unofficially, different groups are now starting to work together. It's currently more of a think tank, but will hopefully formalise soon.

The other major positive new heritage minister Mélanie Joly. She is expected to shake up our Broadcasting Act, which has been rigidly in place since 1991, when no one could foresee the impact of digital technologies or Netflix, and next year the government will also be preparing a new cultural export strategy.

A major consultation process is about to start, and creators and consumers of cultural content will be at its core. It'll be a lengthy process I'm sure, but as long as freedom and flexibility – for both consumers and creators – get enshrined in new legislation and a commercial imperative is balanced with the cultural one, Canada could start producing, transmitting and exporting the compelling content of which it is more than capable.

There's still an awful lot to figure out – but, as long as viewers' needs are at the heart of any changes and Canadian content creators are unshackled, there is definitely hope.

Watch this space. **TBI**



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