

2015

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I always find reading and indeed writing about the future a slightly soporific exercise. Mostly due to the fact that predicting our entertainment world of 2015 is an impossible task to complete with any degree of real accuracy and carries the real risk of anyone who attempts it, looking ridiculous. You only need to look back at futurologists' predictions from five years ago to realise that no one understood the true revolution in mobile technology or the uptake of broadband. Who would have thought that broadband would today be available to close to 100 per cent of UK homes? Or that the industry is now predicting that your mobile phone will be similar to a media USB - Universal Serial Bus - port?

Looking to the future, however, and forecasting trends are valuable pastimes and hopefully help us all constantly tweak and adjust our business practice. It prepares us for the various actualities that may take shape out of the current state of play and the trends we see happening in our business and in consumer behaviour.

Ultimately, despite how head spinning the speed of change may be, I take comfort in the fact that even if the HOW we may be consuming or selling is a complex ever-changing puzzle, the WHAT will still be the familiar Herculean task we all know well.

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The world we live and work in by 2015 will have been shaped by consumer behaviour and the technology that has enabled it. How, when and where people consume their media will have been enabled by technological leaps in portable, digital, and storage systems (think iPod versus PVRs - Personal Video Recorders). As the music and film industries have found, we must confront a world where consumers increasingly demand, and pay for, immediate and total access for their personal use of our product. Ubiquitous PVR usage and broadband VoD - Video on Demand - will lead to near simultaneous distribution windows for content across multiple territories and media, giving consumers flexible access to their favourite programmes.

The adults of 2015 are already using their skills today to take what they want if their desires are not serviced by (what to them) are antiquated distribution practices. I don't believe we have a whole generation of entertainment consumers who are suddenly unable to

grasp the morality of intellectual property theft, but I don't blame them for thinking this is the industry's problem to solve. Once solved proactively like iTunes, the explosion in legal downloads (more in the first three months of 2005 than in all of 2004) is proof positive that given the tools, we can take economic advantage of the opportunity new technology provides for us.

It is in this landscape that we have to imagine ourselves and predict how we will best function. What does all this mean to independent producers? Quite a lot I think. We must carve out our place in the future media entertainment value chain. Our relationships with broadcasters, distributors, advertisers, platform operators and viewers must adapt to new funding models and new industry economic drivers. Although change provides us with unprecedented opportunity, we must decide how best to protect and exploit our premium value as content creators and participate fully and proactively in the creation of new revenue streams.

We should consider some of these areas in turn.

The business model

Advertising is much maligned by reports of its untimely death which I simply don't believe is true. It is currently still the biggest source of revenue for the broadcast TV business, although it is growing at a slower rate than subscription. What is more interesting is to forecast the form advertising may take. Future growth in advertising will come from how advertisers adapt to new opportunities and consumer behaviour.

Ofcom pointed to an interesting example of one recent advertising experiment in the form of a Chemical Brothers interactive album spot which allowed viewers to sample new tracks by pushing the red button. Over 280,000 people responded to this interactive, innovative but obvious advertising form.

Regardless of multi-channel penetration in 10 years' time the way audiences will consume media content will have changed dramatically. To take a current example, the change in viewing behaviour of a household when they do own a PVR. Whilst viewers watch 30 per cent fewer adverts, research suggests that homes with Sky Plus watch more hours of television. Surely this can only be exciting news; give people control of their viewing and reap the benefits.

But, what happens when our PVRs acting as EPGs - Electronic Programme Guides - can access back catalogues of all series? I for one am looking forward to the day that I can shop on my EPG with iTunes-like customer service. It is not that far away - a company called Promise.TV showcased their new product at London's OpenTech

conference in July 2005. The product archives an entire month of broadcast spectrum output and allows you to browse, and sort using a very iTunes-like methodology. The BBC is already beta-testing a service that allows you to access anything broadcast over the last seven days. In this world, I think advertisers will need to embed themselves further in to the media - be it through product placement or non-interruptive sponsorship that remains attached to a programme brand, no matter where or when or how it is consumed.

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Like music, the industry is already preparing for the day when video archive is totally available to consumers for VoD to any legal device at any time. What this means is that EPGs will have to become searchable and referential. Google and Yahoo are already preparing products for searchable video archives. Not only does this reinvigorate programme libraries, but in a totally digital networked world anyone's film is as accessible as another's. We have seen the potential of this with viral website recommendations.

The cost of entry to broadband VoD is already such that video blogging and video pod casting is taking off. On certain services, including my new iTunes software, I may subscribe to video blogs alongside subscriptions to BBC podcast.

What does all this mean to independent producers?

We will have to have closer relationships with both broadcasters and advertisers. This is not something all three parties have been effective at doing in the past but the future funding model and media economy will not work if it doesn't happen.

We will also be competitors to broadcasters, as the cost of entry falls even further in broadband models, simply those producers have a good enough idea to generate a business model based on earning funds direct from consumers - and they will do so via their own virtual broadcast facility.

Obviously, none of us will be able to take advantage of consumers appetite for our product unless technology can provide secure encrypted delivery of our programmes to any of these new devices. And none of these new means of delivery will take hold until we (and the US studios) establish the ground rules of profit participation. Producers, broadcasters, platform operators and advertisers will need to work in close collaboration in order to enable these new business opportunities.

Thankfully, the real foundation for indies to grow our business in this exciting world was laid down in 2004 with the new Terms of Trade. Ten years from now, we will have a decade of programme libraries which will never have been more valuable and we will have a much lower cost of entry to international distribution of our own product.

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Ultimately, I would assume that sense will prevail and that between producers and broadcasters, the reliance on the other will actually become more evident rather than less. As the need for distinctive high quality programming in every genre becomes ever more prevalent, pragmatic partnerships must emerge.

Creative entrepreneurs

I have always liked to embrace the truism that rather than concentrating on telling the time it is better to build clocks. Certainly for independent producers, the competition for the audience and the competition for delivering value should make us all even better at cultivating the best creative environments we possibly can. Our creativity is our singular future and our ability to work with the best creative talent is what we must continue to do.

Every programme we make is our livelihood, which means that employees in our industry must be valued. While there has been some report of unscrupulous behaviour in our industry towards staff, nothing will shake that out more than a robust competitive market where the best employees will demand the best work environments.

Independents should always remain nimble and be creative entrepreneurs. To prepare for our future, where the true winners will be those with the best output, we must not institutionalise, for those who do, do so at their peril. This does not mean that we cannot leverage size, secure relationships with other like-minded producers, or eek out every distribution potential for our output - but as creative, commercial endeavours, we must remain true to our creative talent. This means continuous investment in our staff's development, and continuous reward for those who have the unique gift of creativity.

Future of indies - conclusion

Will TV matter? Of course. Any access to the public consciousness, the opportunity to engage in the national psyche, is valuable and a privilege and a challenge to any one of us who finds ourselves compelled to make television. But access to the public consciousness is increasingly diverse, and we will need to work at our very highest level to earn our place at the table. The competition will be fierce.

The best plan for the future in all this change and uncertainty is to invest in creative staff, trust them and their ideas, reward them and create organisations which are prepared to take risks, to back creativity and be interesting and exciting places to work.

A final thought: a man, Ze Frank, became famous when he created a collection of video invitations to his 21st birthday called ‘How to Dance’ which featured him, well dancing. He sent the link to 17 friends, and three days later hundreds of people were watching every hour. Ultimately 20 million visitors had elected to watch his shorts. Creativity breaks through. While the individual viewer holds the balance of power - so do we.