



TV of Tomorrow

— are we there yet?

I attended my first TV of Tomorrow show in New York back in December of 2012.

Many of the sessions were about interactive TV and second screen applications, including examples and discussion about where the industry could go.

At this year's show in San Francisco (June, 2015), topics focused on the contemporary happenings and challenges. While there is still a lot of work in the development of the new television ecosystem to effectively support the consumer, content provider and advertiser, TV of Tomorrow has begun. While discussions centred on the U.S. market, many of the challenges and insights are relevant to Canada.

by Laurie Kennedy

A Level Playing Field

Most agree that TV is about video content, not delivery. Feature films, documentaries, program series, live events, news and sports series are now delivered on a wider variety of platforms and accessed by viewers either on demand or at a scheduled time (live events or linear playlist).

The lines between various delivery methods are blurring, from cable providers to networks, as well as movie theatres and retail stores. Most also have service outlets on the Internet. In addition, there are new TV players found only on the Web. All are addressing the need for TV everywhere—on all devices, in home and out. Many, old and new, are vying for the same video content rights. This is making for a more competitive and level playing field with geographic and delivery fences beginning to fall down.

Network/Channel Brands

MVPD is an American term meaning multi-channel video programming distributor. It is also referred to as Pay-TV since a subscription fee is typically charged. This includes cable and satellite providers. In Canada we use the term BDU (broadcast distribution undertaking).

In a discussion around who will win, the MVPDs or the TV networks, Colin Dixon, the principal analyst at nScreen-Media, said content providers have the control. He believes the consumer thinks of brands (networks) which provide the shows, not the cable companies. TV network/channel brands provide the viewer with a sense of programming type and quality of collection. Perhaps one could even say it represents a community. Most sports leagues (e.g. NBA, NHL, MLB) could also be considered a channel brand.

CONSUMER DELIVERY	PRIMARY METHOD	ORIGINATION
Cable, Satellite MVPD/ BDU	Linear feed	networks / stations
	subscription VOD, PPV rent	cable, satellite, networks
OTA	Linear feed free	networks / stations
OTT	Linear Streaming subscription	networks / stations (with BDU Sub) Sling TV (OTT MVPD, US only) HBO Now, Showtime (US only)
	Live Streaming VOD Subscription	BDU = Rogers Anyplace TV, Bell Fibe Sports Leagues (NHL, MLB, NBA, out of market games)
	VOD rent	BDU = Rogers Anyplace TV, Bell Fibe
	VOD Subscription	Netflix, Hulu, Shomi, Crave TV
	VOD free	Crackle TV, You-Tube, Pluto.tv networks / stations
	VOD rent or own	Cineplex Store, Vudu (Walmart), Cinema Now, Flixster, Sony Ent. linked with Ultraviolet (UV) - Consumer Online Content Locker
Retail Store	VOD own	Walmart, Best Buy DVDs, Blu-ray
Movie Theatre	PPV event fee (rent)	Cineplex scheduled movie
Venue	LIVE event fee	Air Canada Centre, Rogers Centre Live Event (sports, music, theatre) scheduled event

VOD = video on demand; PPV = pay per view; OTA = Over the Air; OTT = Over the Top
Note: not a complete list of providers.



OTT Linear TV

OTT linear TV is delivery of a traditional broadcast feed or scheduled playlist. It is often called live TV, however live TV can also be delivered via VOD streaming. Many OTT VOD solution providers have expanded their product offerings to include linear and live TV streaming. Backend infrastructures are evolving. OTT linear and live TV is being delivered in different ways, including direct, white label and MVPD.

MLBAM (Major League Baseball Advanced Media) was established in 2000 as an internal service to the major league baseball teams. It oversees the teams' websites, including MLB.tv which provides VOD and live TV streaming for all games. MLBAM also provides a backend infrastructure offering a white label service to TV networks. Clients include WWE, Watch ESPN and HBO Now (Time Warner). Consumer access to HBO Now (in the U.S.) is through Apple TV, Optimum or Sling TV with a \$15 per month subscription (not direct).

Showtime (CBS), recently announced a new OTT service providing live streaming of both the east and west coast feeds of its regular cable channel. Monthly packages include a direct option of \$11 per month or as an add-on to a HULU subscription for \$9 per month. HULU is an ad supported/subscription based VOD service providing access to select series episodes the day

after they air on ABC, Fox and NBC. Showtime will be HULU's first live linear TV offering.

Sling TV

A recent OTT MVPD start-up is Sling TV, a subsidiary of Dish Network. In his keynote address, Roger Lynch, CEO, said Sling is not trying to replicate the Pay TV market. Sling's OTT linear TV service target market is cord-nevers, cord-cutters and supplementers. For \$20 a month, Sling offers a core package of 20 channels not available over-the-air, including ESPN, ESPN2, AMC, TBS, Food Network, IFC, CNN, Cartoon Network, ABC Family and the Disney Channel. You can add \$5 per month add-on packages based on themes such as kids, world news and sports. HBO is a \$15 per month add-on. In addition to linear streaming they do offer VOD as a catch-up service. Regarding monetization on the DISH satellite side, the network's ads are used, though they do have some inventory for addressable ads. Lynch says the networks send their feeds to Sling TV without ads. Sling has their own ad avails (inventory), allowing them to sell mass ads or hyper target (addressable ads).

Lynch says Sling still has a long way to go with the user interface and is trying to keep it easy and simplified.

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Niche Channels/Content Curation

Up until now, social media has typically been looked at as a marketing tool to develop communities and awareness. Highlights from social media platforms are now used to create complete line-ups for daily TV shows and niche channels.

Farid Ben Amor, the director of business development at Pluto TV, says it offers 120 channels (PLUTO.TV) direct to the customer, micro-targeting niche markets. Pluto has in-house curators who create the program guide and programming line-ups for most of the channels. Much of the video comes from YouTube. Pluto can spontaneously spin new channels based on news events. For example, when Leonard Nimoy died Pluto set up a Star Trek channel. It is a free video ad-supported service.

The general manager of Buzzr TV (FremantleMedia), Ron Garfield, said it has 40,000 episodes of retro vintage game shows including Family Feud, What's My Line, etc. Buzzr has created a YouTube channel with playlists (linear TV) of old vintage games with a new era spin crossing the generations. Shows include time capsules of hilarious footage, also footage of stars before they were stars on the game shows, and where they are today (e.g. Betty White). Buzzr owns the content across all platforms and is considering the option of selling channel rights to MVPDs (OTT or not).

Monitization

Monetization is a hot topic in the U.S. as well as Canada, revolving around accurate data and consistent currencies. The ad industry is demanding cross-platform measurement with the expectation of exact data. There are still many challenges around the gathering, consolidating and analyzing of the various sources of data from all the platforms. There is a definite need for a common data set (standards) and many believe the CIMM/SMPTE initiative regarding the development of a watermarking standard to identify each media file (like a UPC code) across all platforms is one step towards achieving it.

Programmatic

Though it still can mean different things to different people, there appears to be a clearer definition emerging for “programmatic” along with the ability to have input into what it will be for TV. Programmatic is about workflow automation and how we also apply data, said Brad Smith, the senior VP revenue and operations at Videa. He believes trust is needed to use data in various ways as well as having clients present their inventory in a different way. He thinks that both the buy and the sell sides must align (currency), calling it fundamental to ensuring (inventory) value and pricing.

Greg Durkin, SVP of marketing analytics at Warner Bros. theatrical, says the overall premise (programmatic) is good but needs to be cleaned-up with some innovation and efficient technologies, including dynamic ad insertion. Speed and hygiene of data used is important to ensure clean and relevant value. Durkin would like aggregate level data, not raw, which has privacy and legal considerations.

Consumer Learning Curve

There was some debate regarding the consumer liking the traditional set top box though most believe the consumer is content-rather than hardware-driven. The underlying issues are learning curve and ease of access. Consumers are familiar with and know how to use the existing cable technology, and they know how to find their favourite channels and shows. As new and improved content curation solutions are developed (user interfaces) and learning curves are overcome, more and more consumers will find their own collection of content service providers that suit their family's needs. One model or one size will not fit all.

Millennials and then came Plurals

Over the last few years, much focus has been on the millennial generation and how their TV consumption habits are different than the baby boomer and gen Xers. Many ask what the industry will be like in five years (2020) and who will be shaping it?

Millennials are those who were born between 1977 and 1996. In 2020, they will be 24 to 43 years old.

Plurals are those who were born between 1997 and the present. In 2020, they will be 0 to 23 years old.

Why are they called plurals? Because our increasingly fragmented society will be the number one thing shaping the way they view the world. The U.S., and presumably Canada, is rapidly moving toward a niche-based society in nine key areas; ethnic composition, parenting, families, business, communication, media, politics, education and religion. (source: Frank N. Magid Associates)

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