

Children's on demand content comes of age

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Image: DHX Media

The three ages of children's programming

In the first age, children's programming was slotted into the schedules of general entertainment TV channels. This was usually at times when children were available to view and grown-ups were not. In the US, Saturday mornings were dedicated to blocks of animation programming. Fox Children's Network also broadcast on weekday afternoons and was the major player in children's television in the 1980s and 1990s.



The launch of children's channels on cable (like Pinwheel in the US, now Nickelodeon) heralded the second age. Children's programmes were now available for most of the day, seven days a week.

Most children's programmes have now migrated onto these specialist channels, which are a mixture of pay channels on cable, satellite IPTV. Increasingly – especially in Europe – children's channels are free-to-air on terrestrial TV.



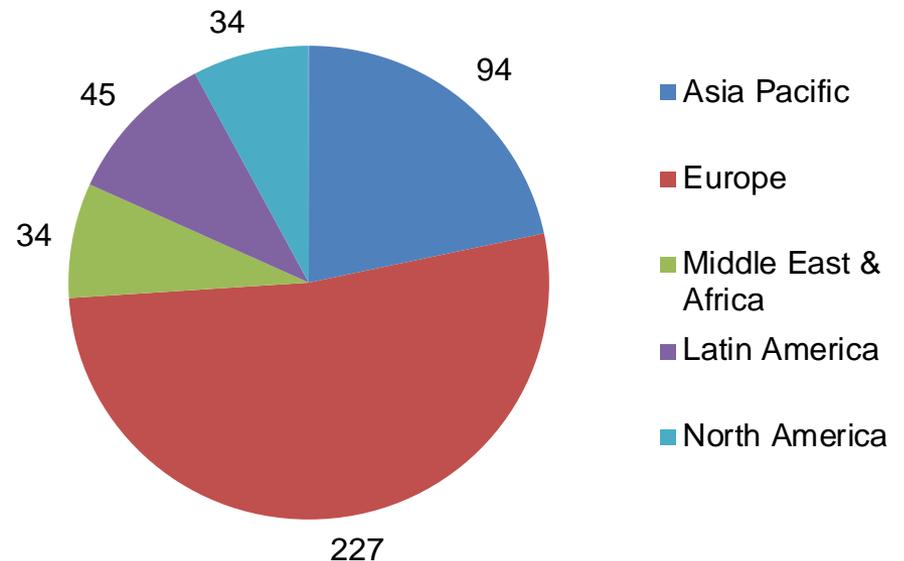
The third age of children's programming is all about on demand. This includes the first wave of pay TV on demand services (on cable and satellite) delivered to the TV set, and more recently services from Netflix and Amazon have launched on the back of fast broadband. Will we see children's programmes move from linear TV channels to these new platforms?

We are still in the second age of children's programming...

IHS Technology estimates there are now more than 400 specialist children's channels worldwide. With some exceptions – like Super RTL in Germany, Canal Plus in France and Corus in Canada – the major US channel brands Cartoon Network, Nickelodeon and Disney have the commercial field to themselves, facing their strongest competition from public broadcasters. The rewards from advertising aimed at children are meagre and the costs of operating channels are unsustainable for companies which can't amortise costs over multiple territories.

Most public broadcasters in Europe have followed the model pioneered by Germany's ARD and ZDF and launched children's channels. In many countries, these networks – which are available on free-to-air – have replaced the US channel brands as market leaders. In the US, PBS remains a significant force in preschool viewing. According to research cited by PBS, 80% of all children in the US aged two to eight watched its programming in the 2012/13 season.

Number of children's TV channels by region (2015)

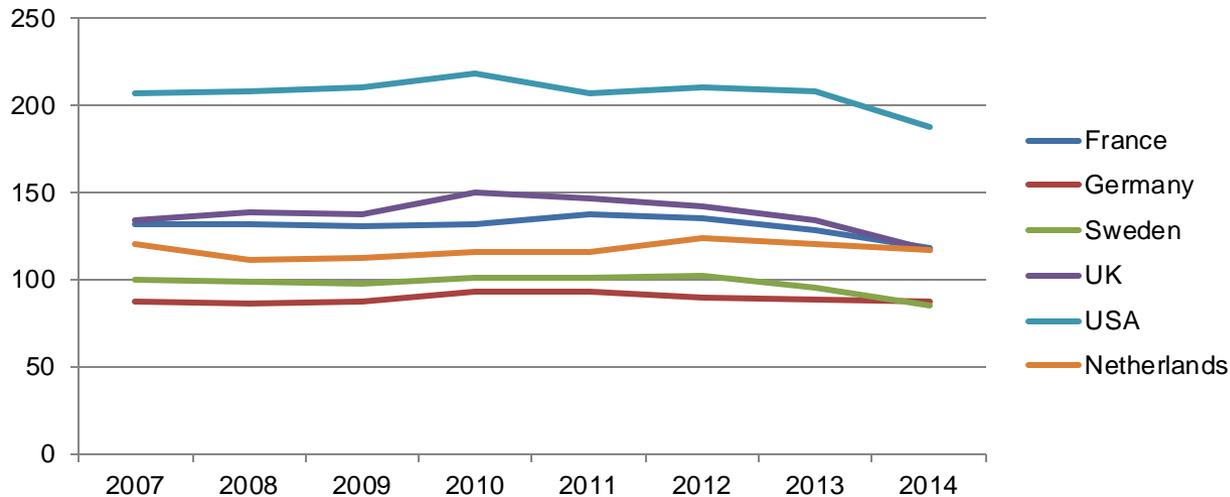


Source: IHS Technology, *The Business of Children's Content*

We don't believe the second age is coming to an end any time soon... but the trend is not promising

Linear TV viewing is declining in many countries, and the pace of decline is speeding up. A number of major countries saw a decline in linear TV viewing by the children's age group in 2014, for the second year running. IHS believes that there is a clear correlation between the rollout of non-linear online video services like Netflix and Amazon and a decline in linear TV. And remember that children do not have the ingrained channel loyalties of older age groups.

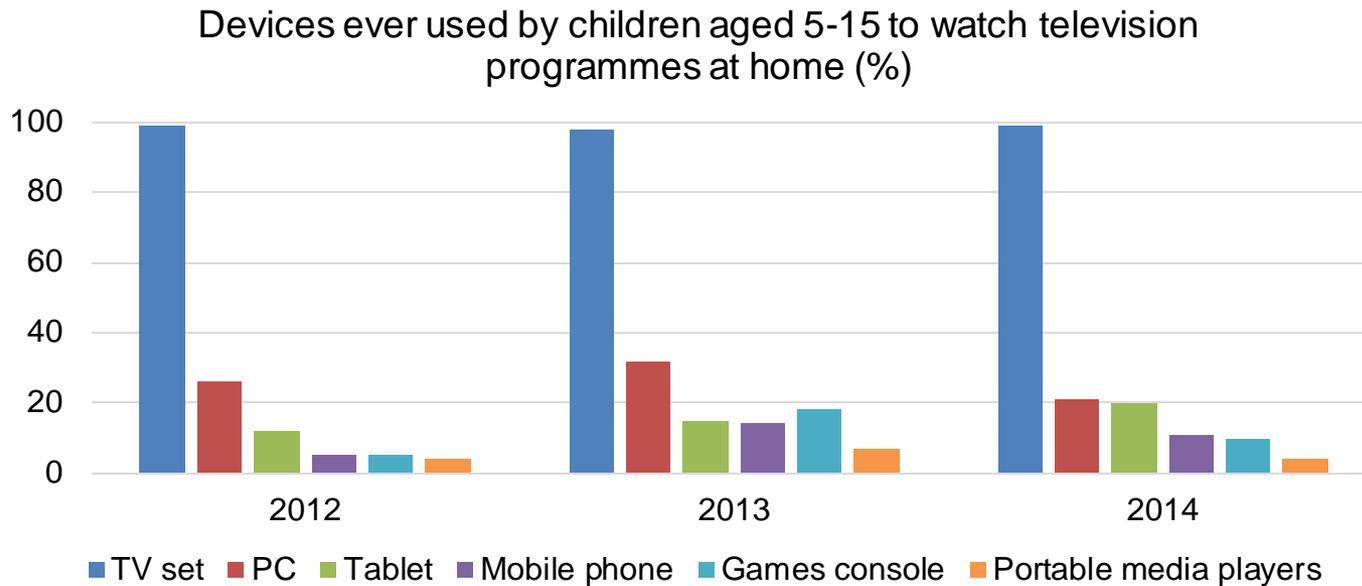
Average daily TV viewing by children (minutes)



Source: Médiamétrie, AGF/TV Scope/GfK, MMS, Barb Trends in Television, Nielsen, SKO
Children defined as 4-14 (France/Sweden), 3-13 (Germany), 4-15 (UK), 2-11 (USA), 6-12 (Neths)

Rapid growth in connected device ownership is clearly a factor in the decline in linear TV

According to communications regulator Ofcom, one in three children in the UK aged 5-15 have their own tablet computer; ownership almost doubled in just one year. However, Ofcom's study also shows that the TV set remains overwhelmingly the dominant medium for watching TV programmes.



Source: Ofcom, *Children and Parents: Media Use and Attitudes*

On demand is the third age of children's programming

The first wave of on demand content services emerged on pay TV platforms, with operators like Comcast in the US offering access to a high volume of movies and TV series as a customer-retention ploy to stop subscribers churning to other services. On demand has proved a hit with consumers, with children's programming one of the most successful genres. Comcast's Xfinity TV service offers access to more than 1,000 children's shows on demand in the crucial summer holiday period.



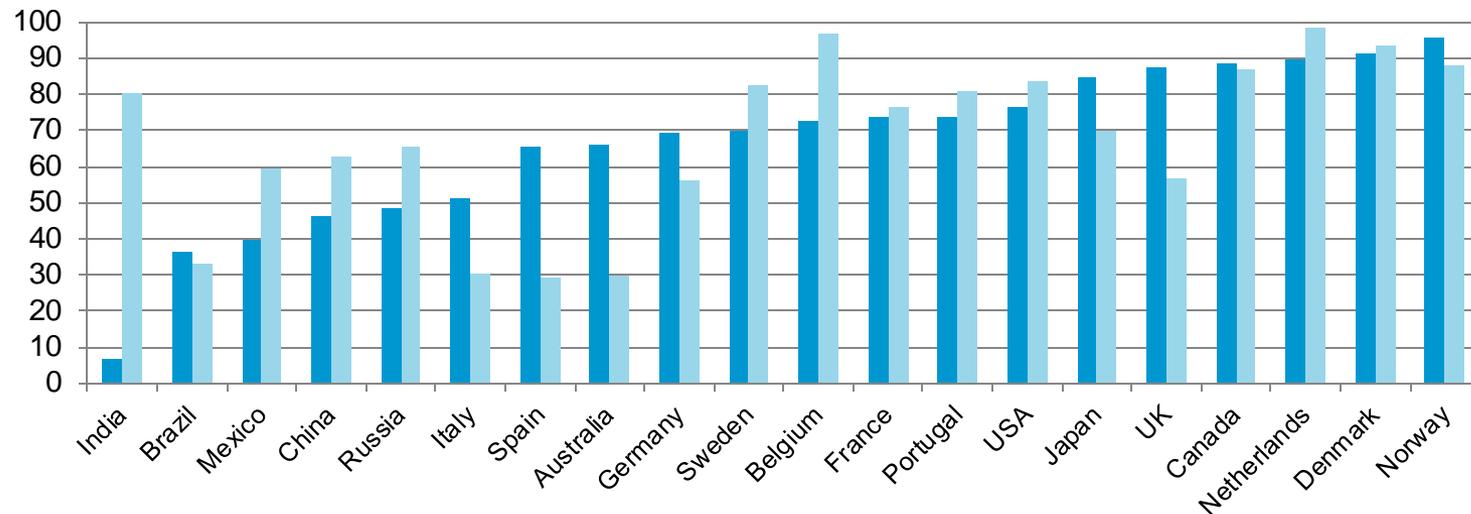
Sky TV announced a significant increase in children's programming available in its on demand service, from 700 to 4,000 episodes. The library includes output from Cartoon Network, Nickelodeon and Disney and UK series like *Peppa Pig* and *The Octonauts*. Sky claimed to be 'the best entertainment service for children and their parents' in the UK, and is in the process of hiring a head of kids content. The interesting thing about this is of course that Sky has no linear children's TV channels or original programming of its own - but it is the biggest pay TV platform in the UK.

Image: Sky TV

Broadband development means that we are seeing a lot of growth in video services outside pay TV

Pay TV market growth has slowed in much of North America and Europe, though subscriptions continue to grow in the Asia Pacific, Latin America and Middle East. Broadband availability is patchy, but in some countries, more households have access to high speed internet services than pay TV. These broadband households are being courted by a new wave of online streaming services, led by Netflix.

Pay TV and broadband penetration, end 2014 (%)



Source: IHS TV Intelligence,
Broadband Intelligence

■ Broadband ■ Pay TV

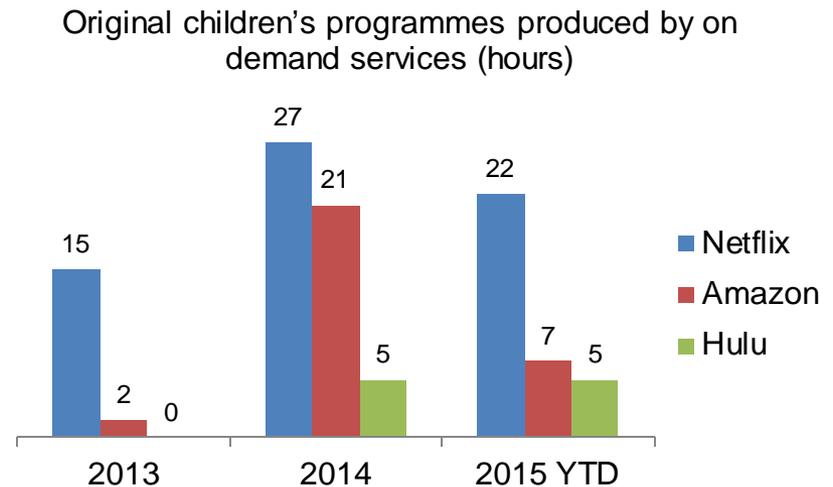
Netflix has delivered the largest amount of original online children's programming

Children's programming has become a key element of the TV offering for both of the global streaming players, Netflix and Amazon. Netflix has an output agreement with Dreamworks Animation, library content from Cartoon Network and an exclusive US movie deal with Disney that kicks in 2016.

However, it has lost agreements with Viacom – which moved to Amazon – and Discovery – which moved its children's content to Hulu in the US.

With its pipeline of original productions from Dreamworks Animation starting to build, Netflix is out in front as the leading commissioner of original children's content. We counted five series with episode counts of between 10 and 26 last year. Amazon Instant Video figures are likely to increase significantly this year as more pilots are converted into full series in the second half of 2015.

Commissions and co-productions are included as originals in our analysis, but exclusive acquisitions are not.



Source: IHS Technology TV Programming Intelligence

Local players join the new frontier for children's programming: online

Netflix – already in 61 countries (as of mid-2015) – has rapidly extended its footprint, but local players like Sky in the UK are reacting. According to our research, seven online video services aimed at a children's audience launched in 2014, and another six had appeared by the end of June 2015.

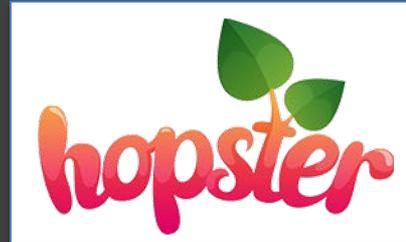
The ability to reach children on personalised, internet-connected devices with on demand content is a key feature that these services have in common. The global reach of app stores also means that service can build worldwide reach very quickly. Also important - particularly for services aimed at younger children - is the ability of parents to block inappropriate content and even (with some apps) to time-limit their children's sessions. Services are mostly commercial-free and pricing of subscription services ranges from three or four dollars a month to ten.

YouTube also got in on the act launching a Kids app in the US February 2015.

Children's online video services (non-exhaustive list)

Pre-2014	2014	2015
<p>Crunchyroll (worldwide, mainly Japanese animation); Kidobi (Canada, targeting 2-6), BatteryPOP (original web series); Min Bio (Egmont, Denmark – movies for children)</p>	<p>Kidoddle.TV Viddiverse – USA Hopster TV GulliMax – France CanalPlay Kids – France Ludo (France TV) – France Sesame Street GO</p>	<p>Kabillion Jr – USA TFou Max Noggin – USA myKIDIO – Germany Kividoo Cbeebies – Latin America</p>

SVoD service profile: Hopster TV



Hopster TV is a UK-based standalone service set up by former Viacom executive Nick Walters and launched in March 2014. As well as TV programming, Hopster offers games created with an advisory panel of education experts. The target audience is preschool children and after launching initially in iOS, Hopster has also appeared on Android stores and is available in multiple territories outside its home market in the UK. Its catalogue of programming amounts to more than 1,500 hours with key suppliers including the Canadian distributor Corus Kids, Dreamworks Animation and French animation studio Millimages. Hopster's app is also available on EE TV and Freesat set-top boxes and Amazon Fire TV.

Launch date	March 2014
Target audience	2-6
Markets	UK (and multiple countries via Apple iTunes Store)
Content	1,500 hours (UK), from suppliers including Corus Kids, Dreamworks Animation, Millimages
Devices	iOS, Android, Apple TV, Smart TV (Samsung, Panasonic, EE TV, Amazon Fire TV, Freesat Boxes with Freetime)
Cost	£3.99/month in UK, typically \$5/month elsewhere.

SVoD service profile: Sesame Street GO



Launch date	November 2014
Owner	Sesame Workshop
Target audience	Preschool
Markets	USA and Canada
Content	Approx 169 episodes of Sesame Workshop programming
Devices	iOS, Android, Chromecast
Cost	\$3.99/month

Sesame Workshop, the nonprofit organisation best known for the long-running *Sesame Street* series, launched on over-the-top subscription service branded as Sesame Street Go in November 2014. The service includes full-length episodes of the TV series, games and music videos, supplemented by specially-produced original episodes.

The app is free to download on the App Store and Google Play, with the premium content available costing \$3.99 a month or \$29.99 per year. The service is ad-free and currently available only in the USA and Canada, but is likely to roll out internationally in the future.

SVoD service profile: TFOU MAX



Backed by TF1, France's leading free-to-air broadcaster, TFOU Max is a standalone subscription platform aimed at children aged 3-12. Branded alongside the TF1 children's channel TFOU, the service launched in February 2015 with more than 2,000 videos available for streaming. The service is accessible on mobile devices via iOS and Android, on PCs, and on set-top boxes operated by Orange and Bouygues Telecom (Bbox Miami). The service costs a relatively modest €2,99 per month.

Launch date	February 2015
Owner	TF1
Target audience	3-12
Markets	France
Content	2,000 hours at launch, 80% animation; including TF1 productions <i>Calimero</i> , <i>Totally Spies</i> , <i>Maya l'Abeille</i>
Devices	iOS, Android, Orange, Bouygues
Cost	€2.99/month

SVoD service profile: Kidoodle.TV



Launch date	March 2014
Owner	Parent Media Co.
Target audience	12 and under
Markets	USA, Canada
Content	Age appropriate childrens TV shows and movies (106 titles)
Devices	iOS, Android
Cost	\$4.99/month

Kidoodle TV is backed by Canadian Parent Media Co Inc, a 'family-oriented corporation'. The streaming video service targets children aged 12 and under. Safety is a key feature, with robust parental controls and time limits and no commercials. The charitable Crist Family Foundation made a multi-million dollar investment in the company last year. Kidoodle TV is available in the USA and Canada and costs \$4.99 a month. A key content suppliers is DHX Media, which supplied over 800 hours of programming to Kidoodle TV from launch. More recently, the service has acquired programming from France, Singapore, Cyprus and Argentina.

SVoD service profile: Toon Goggles



Toon Goggles is a US-based on demand service first launched as a website in October 2011. 'We knew kids should be able to watch what they want to watch, and not be restricted by what Disney, Nickelodeon and Cartoon Network say is OK' says the company's blog. Toon Goggles has since developed a mobile app for smartphones and tablets and an app for several smart TV brands and Roku set-top boxes. Videos are divided into six searchable categories: boys, girls, comedy, action, preschool and educational. Programming is live action and animation and according to the company it has cleared worldwide rights for 90% of its output. Recent acquisitions include series from Spain's BRB, Italy's Mondo TV and the Canada's Tricon Films and TV. Radio and games are also available.

Launch date	October 2011
Target audience	2-12
Markets	Worldwide
Content	Animated and live-action children's programmes, games and radio (166 shows)
Devices	PC/Mac, iOS, Android, Roku, Google TV, Amazon; Ouya, Nook HD, Sony Xperia, Polaroid, VIZIO, Samsung, Sharp, Panasonic smart TVs
Cost	Freemium - premium service is \$4.99/month

SVoD service profile: Kividoo



Launch date	April 2015
	Super RTL
Target audience	2-6
Markets	Germany, Austria, Switzerland
Content	3,500 episodes; suppliers include Dreamworks Animation, Studio Hamburg, ZDF Enterprises, HIT Entertainment, BBC Worldwide
Devices	PC, Mac, iPad, iPad mini, iPhone, Android Tablet, Android smartphones, iPod Touch
Cost	€8.99/month

German family-oriented channel Super RTL marked its 20th anniversary this April with the launch of a standalone SVoD platform, Kividoo. The market leader in the 3-13 age group in Germany, Super RTL is a joint venture between the RTL Group and Walt Disney. While the US company retains its interest in the channel, it has moved much of its content to the newly-launched German Disney Channel. Programming on Kividoo comes from a variety of sources, including DreamWorks Animation (which has an output deal with Super RTL), ZDF Enterprises, Studio Hamburg and BBC Worldwide. The monthly cost is €5.99 (\$6.60) and is commercial-free. Some content can be downloaded to view offline. Kividoo is available on PCs, smartphones and tablets.

About the Author

IHS TV Programming Intelligence

- IHS Technology's TV Programming Intelligence service tracks investments in TV programming by broadcasters, pay TV platforms and pay TV channels worldwide. Data runs from 2000 and is forecast five years ahead
- A subscription to the service includes insight reports (including the forthcoming *Business of Children's Content*), commentaries on breaking news and analyst access

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