

Predicting Future Content Trends

Using Demand to Predict Performance of Digital Originals in Europe

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Predicting Future Content Trends

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It is common knowledge that the television industry is changing at a prodigious rate.

Technology such as the internet and mobile devices have fundamentally altered how people consume and engage with content, fragmenting the market and exposing gaps in measurement, consumption and international viewership. Though such changes can be challenging to respond to, it also offers vast new opportunities. Instead of fragmentation, we see *more* data points, billions more per hour. The real challenge is to utilize this new information to help media executives make better content decisions.

Forward

The globalization of television content



Increasingly TV content, regardless of origin, is consumed by an international audience, but the specific amount of consumption varies by country/region/market. Metrics such as linear ratings from a market where the content is released are currently used to estimate demand for the content in new markets. With digital originals, though, these metrics are often unavailable and the question of whether to launch in a new country comes down to, in most cases, educated guesses.

A far more effective way to make such decisions is to measure the empirical demand for content (digital or linear) in a proposed new market across multiple platforms prior to its release in a market. Such data is region- and content-specific, removing possibly false assumptions or guesswork from the decision-making process.

Regardless of whether content has been officially released in a region, people in that region are consuming and engaging with that content. **Why not leverage that information to make better distribution and acquisition decisions?**

Predicting future content performance

Global multiplatform demand as empirical measure

First though, we must define what we mean by **demand**.

In today's fragmented television landscape, shows are no longer solely watched on a TV set and discussed around the water cooler, but rather viewing and engagement takes place on multiple platforms including:

○ Traditional viewing (both live and using DVRs)

○ Streamed on OTT/SVOD services

○ Downloads via peer-to-peer networks

○ Discussed on dedicated fan sites and blogs

○ Discussions on varied global social media platforms

○ Viewer-generated ratings (e.g. Rotten Tomatoes, Metacritic)

Predicting future content performance

What is *demand*?

We define **demand** as the aggregated interest (both viewing and engagement) across all of these platforms for a specific TV show. This accomplishes some key goals:

Demand is content- and region-specific, allowing for separate, data-based analysis to be done for individual markets.

Demand allows for empirical measurement of the popularity of digital originals, which have no traditional linear ratings.



Predicting future content performance

From demand to performance

If a large number of people in France, say, are pirating a new US show, discussing it on social media, and actively following any news related to its release, then we use this demand to predict that this show will perform well in France.

Of course external factors surrounding a release, such as marketing campaigns and pricing, will play a key role in a show's success, but demand reveals the base level of interest for content.

This concept can also be extended to cover aggregate global demand for different genres, themes, moods, etc. **Using demand as an empirical measurement of interest and as a predictor of performance is immensely powerful as it allows for data-driven pre-release and pre-production decisions.**

“It is important to make clear that demand is not equivalent to performance, but is rather a predictor of it”

In this paper, Parrot Analytics conducted a study of the demand, from January to early March 2015, for popular digital original titles in European countries where these titles may not yet have been officially released. These shows are typically not rated and performance information is not released by the distributor. The demand for these titles in the United States is also included for comparison.

Predicting Performance

of Digital Originals in Selected Countries

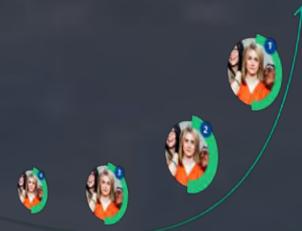
Predicting the performance of digital originals

Methodology

For each country where a digital original has not been officially released, the **demand** for that unreleased content is used as a predictor of its future performance in that country.

The shows are ranked by total demand over two months for each country, and the time series of demand over the same time period is examined. The analysis concludes with an exploration of region-wide show and genre trends.

Demand is measured on a 0 to 100 logarithmic scale, where a higher demand rating is increasingly more difficult to obtain. This process accounts for the skewed distribution of demand, where very few shows get the vast majority of total demand.



Predicting the performance of digital originals

United States

Digital Content

Demand

	Orange is the New Black ● Drama	77.03
	House of Cards ● Drama	75.66
	Hemlock Grove ● Drama	71.16
	Arrested Development ● Comedy	66.80
	Transparent ● Drama	64.77

All five digital original series used in the analysis have been released in the United States, so the demand is reflective of their current performance.

Unlike many European markets, *Orange is the New Black* is solidly the most popular digital title.

Transparent enjoyed a large spike in demand after its Golden Globes win, but fell back to usual demand levels after about a week.

The release of *House of Cards*' third season increased demand for it dramatically, and at the cost of the other digital originals.

Overall demand is higher, perhaps because all five titles have been officially released in this market.



Predicting the performance of digital originals France

Digital Content

Demand

	Orange is the New Black ● Drama	75.81
	House of Cards ● Drama	72.17
	Hemlock Grove ● Drama	58.98
	Transparent ● Drama	58.50
	Arrested Development ● Comedy	52.54

Netflix launched in France in September 2014 and *House of Cards* aired on a linear network, so all shows but *Transparent* (Amazon) are officially available.

Unlike many other European markets, *Orange is the New Black* is the most popular digital original series.

There is a greater disparity between the top two shows and the others, suggesting that consumers are only interested in the most popular English-language content.

As before, the release of *House of Cards*' third season dramatically increased demand for it.



Predicting the performance of digital originals Italy

Digital Content

Demand

	House of Cards ● Drama	72.31
	Orange is the New Black ● Drama	70.06
	Hemlock Grove ● Drama	56.96
	Transparent ● Drama	54.62
	Arrested Development ● Comedy	43.37

All series in this analysis but *Transparent* have been released on free or pay TV.

Out of the countries in this study, Italy has the lowest demand for *Arrested Development*.

As in France, there is a clear disparity between the top two shows and the others, but in Italy we also see a major difference in demand between *Hemlock Grove/Transparent* and *Arrested Development*.



As before, the release of *House of Cards'* third season dramatically increased demand for it, but here this event did not seem to affect demand for *Hemlock Grove*.

Predicting the performance of digital originals Spain

Digital Content	Demand
 House of Cards ● Drama	72.87
 Orange is the New Black ● Drama	71.60
 Transparent ● Drama	63.88
 Hemlock Grove ● Drama	54.30
 Arrested Development ● Comedy	48.59

Hemlock Grove is the only series in this analysis *not* to be officially released in Spain.

Transparent has significantly higher demand here than in the other European countries, perhaps because Spain is the only country in this study where it has been officially released.

While *House of Cards* and *Orange is the New Black* have the most demand, there is not as great a drop in demand to the next three shows, perhaps indicating a greater willingness to sample less well-known English-language content.



The release of *House of Cards*' third season depresses demand for the other shows as before, but here *Arrested Development* is predicted not to recover to its demand level, unlike the pattern seen for the other shows in each other country.

Predicting the performance of digital originals Greece

Digital Content

Demand

	House of Cards ● Drama	73.62
	Orange is the New Black ● Drama	66.68
	Hemlock Grove ● Drama	60.34
	Transparent ● Drama	52.78
	Arrested Development ● Comedy	48.24

Orange is the New Black and *Arrested Development* are the only series in this analysis that have been released in Greece.

While in the previous countries *House of Cards* and *Orange is the New Black* were very close in demand, Greece has a clear preference for *House of Cards*.

As in Spain, the drop in demand between shows is fairly even, perhaps indicating a greater willingness to sample less well-known English-language content.



We observe here (and in the other countries) that demand for *House of Cards* drops slightly immediately before the release of the third season; perhaps users suspend activity for that show knowing that the next day will bring new content.

Predicting the performance of digital originals Poland

Digital Content

Demand

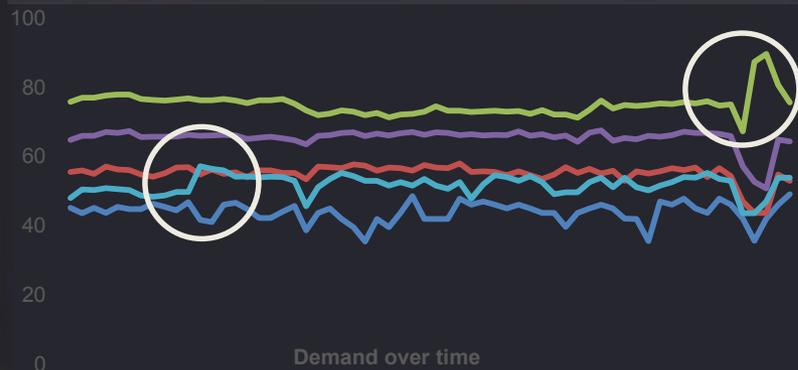
	House of Cards ● Drama	75.01
	Orange is the New Black ● Drama	65.44
	Hemlock Grove ● Drama	55.21
	Transparent ● Drama	51.89
	Arrested Development ● Comedy	43.97

Arrested Development and *House of Cards* are the only series in this analysis to be officially released in Poland.

Demand for *House of Cards* is second-only to demand for it in the United States, while demand for *Orange is the New Black* is the lowest for this show among the countries in this analysis.

Transparent had a sudden *and* sustained increase in demand after its Golden Globes win, perhaps indicating that its win helped attract new, international fans.

Perhaps because *House of Cards* is by far the most popular show, the spike in demand corresponding to the release of its third season is the largest of any European country in this study.





From the **demand** for these digital originals and many other shows, we predict some general trends for TV content in these European countries.

Future Content Trends Across Europe

Future content trends

House of Cards vs. Orange is the New Black

House of Cards X

Orange is the New Black X



Poland

Belgium

Poland strongly favors *House of Cards* (133% more demand for it than *OITNB*).

Belgium has the strongest preference for *OITNB* (35% more demand than for *House of Cards*).

From the previous analysis, Netflix's *House of Cards* and *Orange is the New Black* are the clearly dominant titles in the digital originals content space, and are predicted to perform well in all European markets.

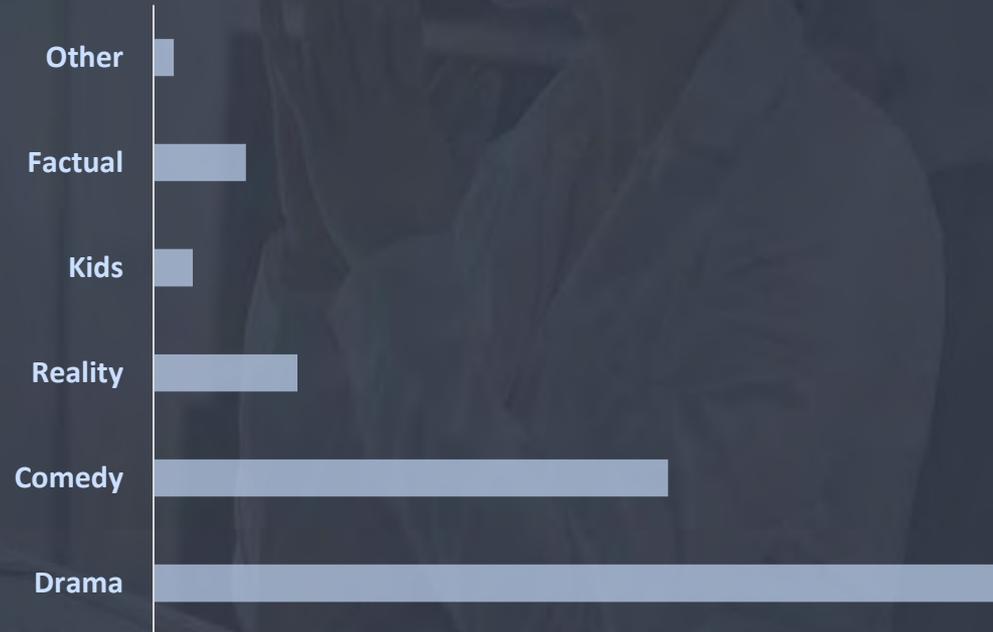
Future content trends

Drama Sub-Genres



Current Genre Demand In Europe

In Europe, the genre of drama accounts for over half of the overall demand for content. Of course there are many drama series, but not every one is successful. We break down the sub-genres of drama to track the most in-demand (and therefore highest performing) type of TV show. Note that demand for shows that belong to two or more genres is counted towards the total for each genre.



Future content trends

Drama Sub-Genres



Current Sub-Genre Demand In Europe

The drama genre can be divided into infinite variations; here 12 major sub-genres– action, adventure, comedy drama, crime, fantasy, historical drama, horror, mystery, paranormal, politics, science fiction, and suspense– are considered.

From the plot, we conclude that crime dramas are the most popular with 30% of total drama demand, with action, science fiction, paranormal, and fantasy dramas accounting for 10% of demand each.



Future content trends

Drama Sub-Genres

The demand for each of these sub-genres has been tracked over the last two months, allowing us to predict the future demand for each.

Note that, because the demand for all the shows in a sub-genre is summed to find the demand for that sub-genre, we measure sub-genre on a different logarithmic scale as it is not comparable to the demand for an individual show.



Future content trends

Predictive analysis

Crime Dramas For the Win

All sub-genres have consistent levels of demand over most of the two months included in the study. Crime dramas are predicted to continue to be the most popular sub-genre.

House of Cards spikes a political increase

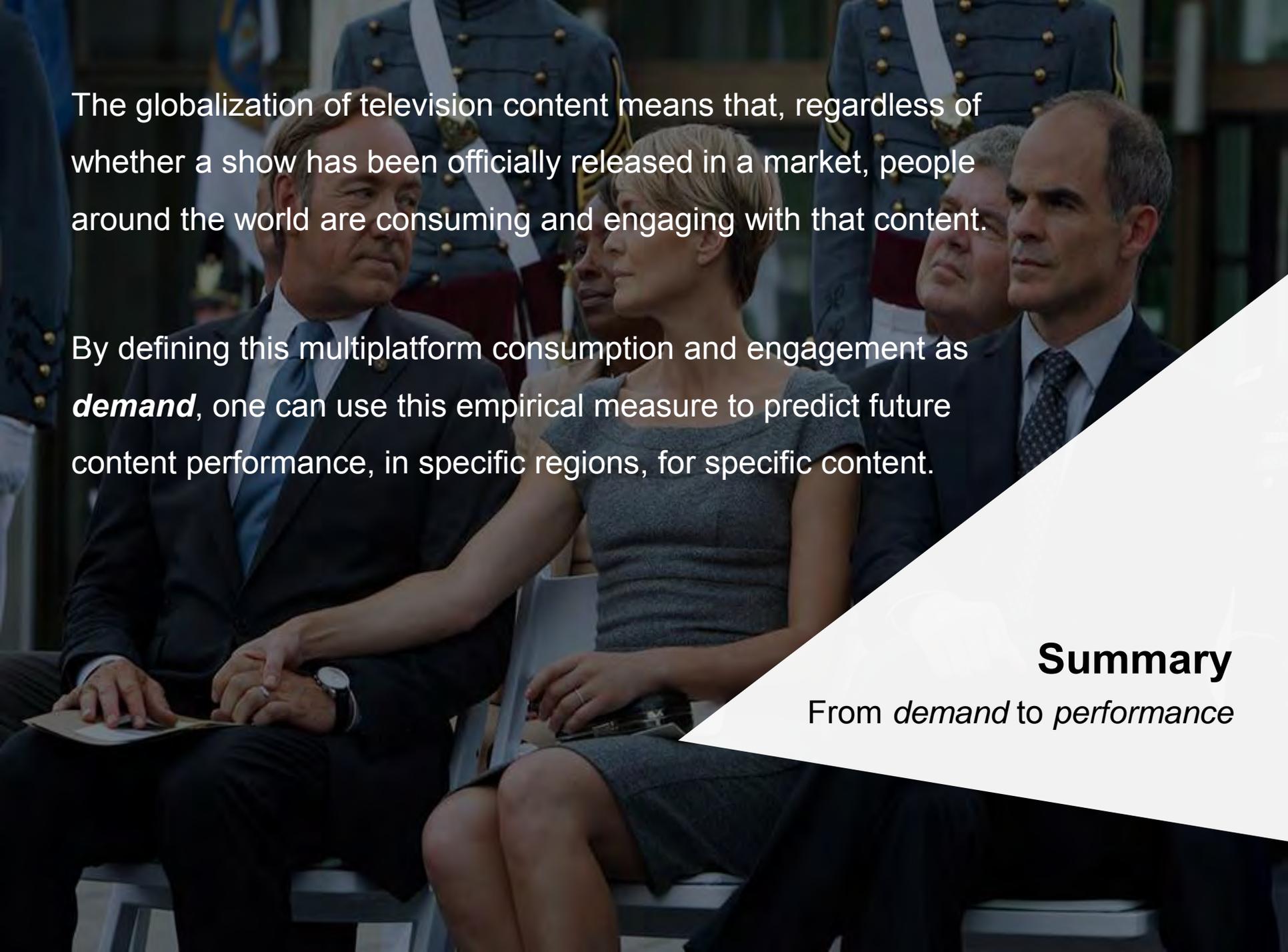
The spike in demand for the politics sub-genre is driven by the release of *House of Cards*' third season, as we have seen in the country-specific analysis.

Demand for the sub-genres of suspense, action, paranormal and science fiction were also lifted during this event. Demand for the sub-genres of mystery, horror and comedy drama were depressed during this event. All sub-genres are predicted to return to their previous levels of demand after this event.

Horror and Comedy are declining

The politics and suspense sub-genres are predicted to have the most increase in demand, while horror and comedy drama are predicted to have declining demand.



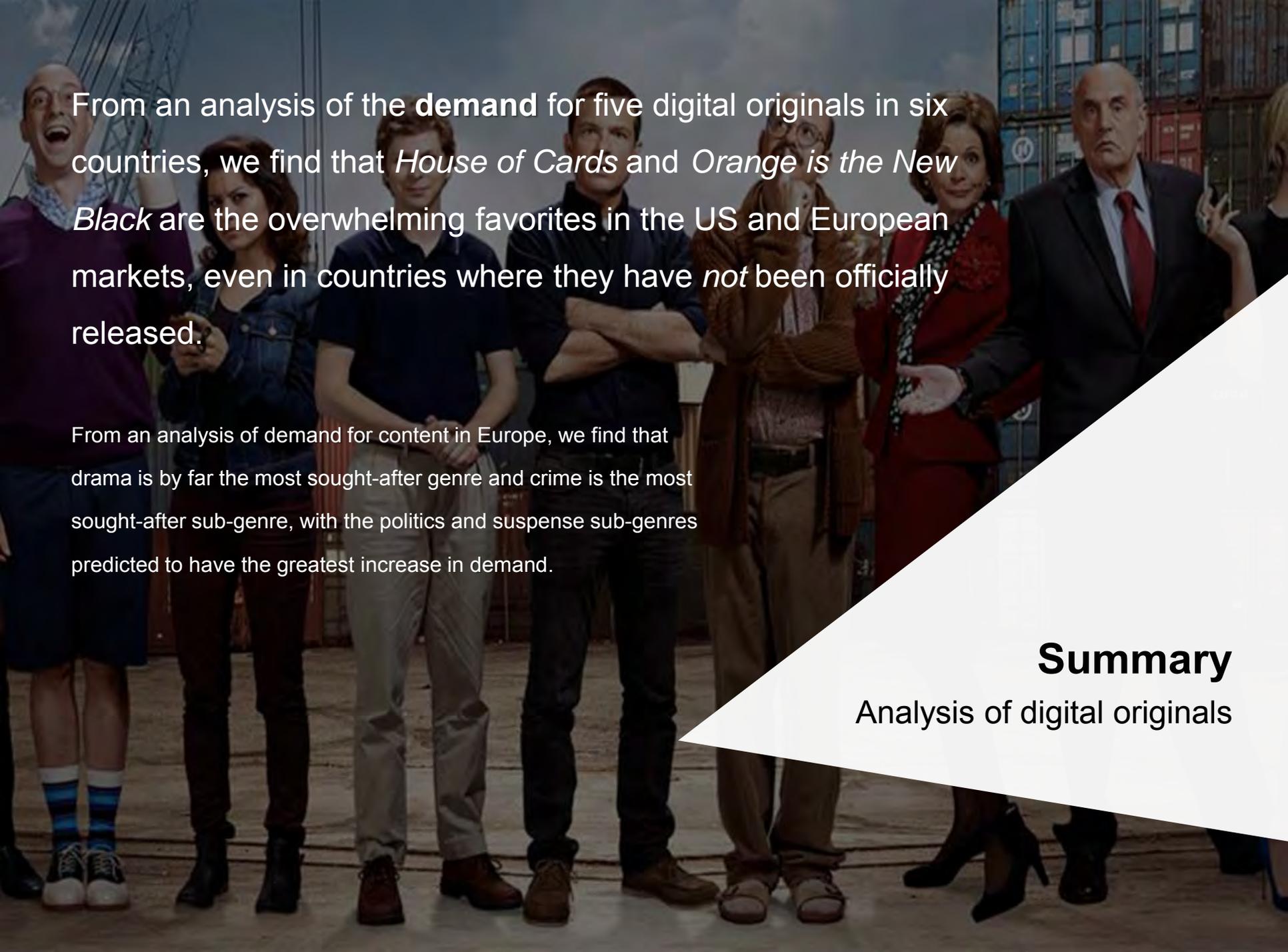


The globalization of television content means that, regardless of whether a show has been officially released in a market, people around the world are consuming and engaging with that content.

By defining this multiplatform consumption and engagement as ***demand***, one can use this empirical measure to predict future content performance, in specific regions, for specific content.

Summary

From *demand* to *performance*

A group of people from various TV shows standing in a warehouse setting. From left to right: a man in a purple sweater (The Big Bang Theory), a woman in a denim jacket (The Mindy Project), a man in a blue polo shirt (The Mindy Project), a man in a dark shirt (The Mindy Project), a man in a brown cardigan (The Mindy Project), a woman in a red jacket (The Mindy Project), a man in a suit (The Mindy Project), and a woman in a black dress (The Mindy Project).

From an analysis of the demand for five digital originals in six countries, we find that *House of Cards* and *Orange Is the New Black* are the overwhelming favorites in the US and European markets, even in countries where they have *not* been officially released.

From an analysis of demand for content in Europe, we find that drama is by far the most sought-after genre and crime is the most sought-after sub-genre, with the politics and suspense sub-genres predicted to have the greatest increase in demand.

Summary

Analysis of digital originals

About the Author

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Parrot Demand Rating™ is leveraged by content buyers and sellers around the world to assess country-specific demand for content, enabling them to make more accurate content decisions for improved yield.

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