

MIPCOM-OCTOBER 2017

**ACQUISITION SUPERPANEL:
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Laurine Garaude

Good afternoon. I'm Laurine Garaude, Head of the MIP Markets at Reed Midem. It's my great privilege to introduce the Acquisition Superpanel - What Do Programmers Want; presented in partnership with World Screen Magazine. Today we'll hear from four leading and highly respected programming executives; recipients of this year's World Screen Content Trendsetter Awards. They are Aurelie de Troyer, Dermot Horan, Jason Thorp and Rozan Hamaker. They will discuss the latest acquisition trends as well as their perspectives on how to spot hit shows. The conversation will be moderated by World Screen's Group Editorial Director, our friend and partner Anna Carugati. Following the Superpanel, each of the speakers will be awarded with the World Screen Content Trendsetter Award; in recognition of their contribution leadership in the industry. Please join me in a warm welcome for Anna Carugati.

Anna Carugati-Guise

Well, thank you all. Thank you for joining us for what I know will be a lively conversation. This, if my math is correct, is the seventh year we're doing this, but, for the first time, which reflects the changes in the industry. For the past six years we have mostly had only linear channels and some of those channels obviously had online components, or streaming services. This year we have two primarily linear organisations, which also have their digital offshoots and two completely digital streaming services.

I promise we're going to try and make you all participate, but there may be some questions that apply to some and not to others; but let's keep the conversation rolling. First of all, Dermot, you represent probably the most traditional form of television, the public broadcaster, whose role has obviously had to evolve over the years. Tell me, what is the role of a public broadcaster in today's multi device, multi-channel universe?

Dermot Horan

Well, RTÉ is and was established first as a radio service, then as a television service, we now have a player, we also run the national orchestra; so we are that most established type of public broadcaster. That being said, we are at the forefront of digital technology. I mean those of you who have been online this week probably realise that there was a hurricane in Ireland, our first actual hurricane since 1961, and we got, I think, almost two million hits on the RTÉ website,

everybody came to RTÉ and that's because we have the technology and the online technology to offer that kind of comprehensive service. When we were looking at our figures this week, there were obviously enormous audiences for live linear television; there were huge audiences for radio; there were huge audiences for our news app; and there were huge audiences for our web service.

That kind of shows, in a microcosm and one particular example, how a public broadcaster can move with the times. You need to be relevant, you need to be local and national and, in a world where most people in Ireland can receive hundreds of UK channels, how do we remain different to the UK? How do smaller countries remain different to larger countries with the same language? One of the things that those countries can do is to have a well-resourced and forward thinking public broadcaster, that can offer the Irish content that Irish viewers want on whatever platform they want to watch it on.

Anna Carugati-Guise

Rozan, now you work for SBS Broadcasting. You oversee four channels, correct? Now they are linear but they also have catch up services. What do they do?

Rozan Hamaker

Yes, we have four channels. One is the big flagship channel, SBS6, and it's very broad. It's family orientated, to very diverse; but mainly local programming. Net 5 is slightly more female skewing, if you watch it you don't need to worry about anything else, it's really relaxation time; so feel-good movies and series as well, but also two nights of local programming. Veronica is slightly more male skewing; champions league soccer and blockbuster movies, and SBS9 is the more niche channel, with little gems that we've found, but purely acquisition driven.

Anna Carugati-Guise

Jason. You are the CEO of Global Series Network, which has partnered in different territories, starting in the UK, for a service that is very new and very different. When we think of drama, in the past, primarily it was always English language; but you focus on something different right?

Jason Thorp

Yes, in a nutshell we showcase the best drama from around the world but I guess outside of the

UK and the US system. It's a highly curated service, so that's very much at the forefront of what we do. Walter Presents, Walter is a real person, just in case people wondered. We are actually a joint venture with Channel Four, so, internationally, the whole business is a joint venture and we're backed by a big terrestrial broadcaster, so it's fantastic to have that support and infrastructure. We launched Walter Presents almost two years ago in the UK, as a free to air ad supported on demand service, within the All Four eco system; so on the OTT platform that Channel Four run. We launched earlier this year in the US as a subscription based OTT service and we have just announced that, next month, we will be launching on Foxtel in Australia. Plus, there's more to come.

Anna Carugati-Guise

Fantastic. Aurelie, when people hear AMC they think of the linear channel in the States and around the world, synonymous with some very high end premium product. How long ago was the decision made to bring this product and other to non-linear?

Aurelie de Troyer

AMC runs and operates two streaming services and it's the ... model; so we're subscription based. We made the decision two years ago to enter the space with Sundance Now, which is the first streaming service and Shudder, which is the second one. The strategy across both was very much about really targeting specific audience segments and also curation is the backbone of our programming strategy. It just felt a natural extension, I guess, of the linear play. AMC knows a few things about horror and genre in general and we have a little show called The Walking Dead, that you may be familiar with. Also, Sundance Now is basically the SVOD expression of the Sundance brand. Although we do share some programming, we're very much a standalone service.

Anna Carugati-Guise

All right. So the reason everybody here is here today is to hear from you what you're looking for, so why don't we start with that. What are you looking for? Do you have specific times, slots? I imagine that, what you look for has to help drive subscribers. Therefore, what are you looking for?

Dermot Horan

I suppose, as a public broadcaster, a lot of the programming that is most successful in Ireland is Irish. One of the things I personally don't look for but my colleagues look for is formats. You know, Dancing With The Stars, the international version of Strictly, does really well in Ireland; the Irish version of it. We were doing an Irish First Dates, that does really, really well. We've just re-commissioned a new series of the genealogy show Who Do You Think You Are. We did a couple of series of that and then we kind of ran out of interesting stories, because we're a smaller country. Interestingly, I was able to kind of keep the brand going by buying the British and the American versions of that show and now we're going back into buying the format and commissioning a new series of that. Formats are really key to what we do and putting an Irish spin on them.

In terms of acquisitions, we're looking to compliment. If you're a smaller country like Ireland or Denmark or Sweden or Norway, you can't afford to produce the volume of drama that you would like to as it's very expensive and so we're trying to fill those slots, particularly between nine and 11 pm. We know that, when people put the kids to bed, they want to have something challenging and so we can get into the trends of what's working in that scripted territory. That's one key area. There's still an audience particularly for strong library feature films, which are familiar to people. If you're running a major sports event, after that sports event, a James Bond movie or a Braveheart or a Gladiator will do a job because everybody knows that movie and, actually, sometimes those library movies are actually better performing than newer movies. Then the other interesting thing in my role as Head of Co-productions as well is, we are increasingly looking to co-fund programming with likeminded partners; other broadcasters.

Last year I did a deal with ARTE and we co-produce arts and cultural and documentary programmes with them. For example, in this market we are selling a major documentary called Countdown to Calvary, and it's the week leading up to the death of Jesus; so it's not so much a Christian documentary but a documentary about an incredibly highly charged political time in Judea and what happened with all the different factions. Hugh Bonneville is the presenter of it, who it turns out has a degree in Theology from Cambridge University; so that's one of the reasons we used him. But that is a documentary that is commissioned by RTÉ, partly funded by RTÉ, partly funded by ARTE and partly funded by a pre-sale to SBS. That's the kind of deals that we're now looking at, which will intrinsically be an Irish commissioned programme that will resonate with us and our audiences, but we are finding likeminded partners to actually co-fund.

Anna Carugati-Guise

Rozan.

Rozan Hamaker

We air a lot of features on Veronica and Net5 and we need to brand them and do smart marketing things with them. If they don't fit into a particular genre it will be very difficult for us to acquire these movies. For instance, on Veronica, we've introduced franchises on Monday; so that could be the Fast and the Furious franchise, it could also be Harry Potter or Jason Bourne. However, one-offs will be difficult. We have other slots for that, but it's very particular what we want. Also, with the older movies that we selected, we've created a month on Net5 called Vintage Love; so all of a sudden Coyote Ugly and Overboard gave us huge ratings, because we've packaged them.

We need to always think, if we buy something, how can we package it, how can we sell it, so that it's fresh and new and just not put them randomly in a schedule that people think like, yes whatever, this movie we've seen before. That is a big thing for us, we need to think about why we buy something. But it makes it challenging and fun and it also, again, makes you very creative. Format wise, we are looking for formats that give us relevance. Having said that, we are a commercial broadcaster so it should be fun as well. The difference in income in the Netherlands is quite large sometimes so we bought Rich House, Poor House from Hat Trick and we made a local version and the ratings just crashed everybody else; it went through the roof. For elderly people who are lonely, we did a show Around the World with 80 Year Olds and it took them around the world and it was fantastic. The ratings were really good and we've ordered already a second season. It's relevant, but it's still fun and that's very important.

Anna Carugati-Guise

Curating is all about what Walter Presents is about, isn't it?

Jason Thorp

Absolutely and we've probably licensed around 1200 hours since we've been started 19, 20 months ago; so we have a huge appetite.

Anna Carugati-Guise

You're popular here, aren't you?

Jason Thorp

Well, we'd like to think so, yes, with some people. I would say that Northern European crime drama, crime thrillers are our stock and trade; but, actually, it's not about the algorithm, it's about what we love and the stories we love and specifically Walter. You know, we're happy to cut across all different genres. We've dabbled with comedy. We're just looking for great stories, great ideas at any stage in the process of production. I mean the majority of the content is acquired. But we have a very wide scope, but it's essentially about those filters that we apply in terms of quality, execution and storytelling.

Anna Carugati-Guise

Curating is important for your services too, aren't they?

Aurelie de Troyer

Exactly in the same way, absolutely. I mean I think one thing I'll share with you, because it explains a little bit the way our members use our service as the vast majority subscribe to another mainstream platform and in most cases two other mainstream platforms. We're not there to be a replacement platform in any way, what we're really trying to do is to do something very specific very, very well, and so it's the whole spectrum of genre for Shudder, paranormal, sci-fi, horror and high end entertainment for Sundance. We feel that, if we do this really well then we have a chance to build trust with our members long term.

That's really what we're about, is trying to build brands in the long term; create almost a safe space when they come to us, so that they think, okay, there must be something in it for me. I probably haven't seen it anywhere else because it's exclusivity and maintaining a high ratio of exclusivity is very important to us; and it's a safe space that we're trying to create. The high quality bar that we're talking about, it's very much taste driven, it's what we react to ultimately; but we have world class experts working with us, especially for Shudder on the genre side, as it's a genre that's very specific, with very specific codes. We believe we understand that space really well and are, therefore, able to, I guess, exclude the lower end stuff and focus on the quality.

Anna Carugati-Guise

Because there is so much product out there and you're in competitive markets, do you see that pre buys and co-producing are becoming more part of what you're doing, in order to get in early on something that you might really like?

Dermot Horan

Absolutely. You take a risk in doing that because sometimes a great script is not realised well but it probably is worth your while. However, sometimes you wait too long. Even at the LA screenings this year, there were one or two shows that weren't shown because they had actually been pre sold to Netflix, and that was a little bit disappointing.

Anna Carugati-Guise

We're going to get to that in a minute.

Dermot Horan

Yes, if you wait too long, other big boys will get in. We do understand as well that, getting in early sometimes is really important for a producer and it's not just the money you pay, it's the advocacy. For example, we've a really great animation sector in Ireland; they're world renowned. They initially started making a lot of shows for Disney and for Nickelodeon on a contract basis and now a lot of them own their own IP and they're really growing.

For those animators, it's really important that the public broadcaster, who obviously is the main commissioner of kids' content in the territory, gets on board at an early stage. We would go to the Cartoon Forum, our Head of Children's would advocate that this is a great show, we bought it for this reason, we think it'll get these audiences. Same with drama. Even if we're commissioning a drama, we with the independent producer will come here and we will explain what our intention is. You know, this is a six part series, but if it goes well we intend to go to another series; the kind of slot we'll put it in; the kind of marketing spend we'll put behind it. So actually, I think getting in early is absolutely key.

Rozan Hamaker

Yes, but not this much for American dramas because we don't have that much need for

American dramas anymore; or at least not for new titles. If one or two have already gone, then we will find one or two others; because there is so much out there that we will find something that will fit. It's not the reason why channels will grow. American dramas won't do that. It's really sports, live events, news and big, big entertainment shows. Therefore, we don't necessarily want to get in that early; but there could be an exception.

Jason Thorp

We do want to get in early and we're already reading scripts way in advance. The majority of our suppliers now we work with them, you know, reading scripts. We're still relatively small in terms of our scale and in terms of the economics, but we're prepared to be really flexible around financing; whether it's pre buy, deficit financing and working with multiple partners. But I think, importantly, unlike the Netflix model, dare I say it, where I think they let producers run, we're finding that there's a real appetite for us to really feed in and get involved at that script stage and contribute to the process. There are also other things that we can bring, like the shop window on Channel Four. We're really keen to be creative around ways we can get in earlier.

Aurelie de Troyer

Yes, same. I mean co-production is a big, big part for us in 2018. Actually the queue for Slate of Sundance now in the US out of all five ... shows, two are co-productions; so we're already in there and it's going to ramp up next year for the same reasons as Jason just explained. In general, we'd be looking to have premium content of premier shows; ten to 20 for Sundance 9 every territory, and 25 to 35 for Shudder.

Anna Carugati-Guise

You mentioned Netflix. It's a problem when they buy pan regional and global rights. Is that happening often? Are you getting cut out of products that you would like to have?

Dermot Horan

I mean, we've been used to a lot of competition for many years in Ireland because the Sky platform is a big platform and they're not just buying for UK and Ireland, they're now buying for UK, Ireland, Germany, Austria and Italy and then you have Netflix as well. You've got two big players there who are kind of multinational, one truly global, one going global, and so that's the world in which we live. I know Rozan was talking about American series, we don't tend to pre

buy 22 part American series; so what I'm really talking about is more six part series, eight part series, ones where we can really sometimes contribute notes to the script. You're going to maybe change fundamentally the script, but your input can be really useful. We are cohabiting with Netflix and the somewhat sleeping giant that is Amazon. I mean currently the Amazon offering in UK and Ireland would be a more modest offering than Netflix is offering, but they could explode as well. That's why partnerships and creative partnerships are so important.

Rozan Hamaker

Yes, but we don't buy the six and the eight parts; so I think that's the difference then between us. But, yes, Netflix is huge in the Netherlands and compared to them we have an eeny-meeny tiny budget and we cannot compete with them; so we need to be creative. We try to do and close deals in a different way; shorter period of time, one run. Sometimes that works, sometimes that doesn't, but we are trying new stuff to see how it will work. We cannot compete with Netflix, nor do we want to.

Jason Thorp

Yes, we often see shows gone before we even get a look in which is frustrating; but those shows do tend to disappear into the ether that is Netflix without the support. We bring a different set, you know, we contribute in different ways. We often describe ourselves as the cute little deli sat next to the hypermarket that is Netflix, and I think those two models can co-exist. I'm sure Netflix will have their eyes on a bigger prize.

Aurelie de Troyer

I mean same as everyone. They're there and obviously omnipresent, but having said that we have been winning bids successfully based on marketing planning; how much we're trying to showcase the shows, etc, and we have three examples. They don't buy everything and I think we've got a lot to say, as well, for how much we put the spotlight on the shows that we buy.

Anna Carugati-Guise

Now you mentioned longer runs, the 22 episodes and the shorter run of which there are more. Do you need both? Do you prefer one or the other? For those of you who need American products, if they are going now towards the shorter run series, is that a problem? Do you like to have long returning series in your schedule?

Rozan Hamaker

Well the 13 episode or the 15 episode series they are fine as well. The six parters, which was mainly British, they are problematic for us; because the moment you start a new series and six weeks later you start another series, we have to start marketing that. For marketing reasons it's really difficult for us to do those shorter series.

Dermot Horan

I suppose, by contrast, you know, we're lucky with RT1, our premier channel, because it gets a 28 percent share; it's the biggest share. Therefore, actually a six parter or a four parter is easier to launch, because you've got some really big guns in terms of domestic programming where you can run your promos. Actually a four parter and a six parter these days is very powerful. There was a time when, on RTÉ, it was always American programming, in terms of our acquisition series, that were the highest performing.

Last year it was Dr Foster followed by Happy Valley followed by The People versus O J Simpson, American, but a shorter run series. I think those shorter run series, what you also have is you have the marketability of the big stars they can attract in a shorter run series. The People versus O J Simpson you can get Cuba Gooding Jr, you can get John Travolta, you can get David Schwimmer; you wouldn't get them for a 22 part network series, because you have to kind of sign away your life. You make a lot of money but you sign away your life for several years to do that. You know, the 22 parter is more of a challenge genuinely and we're finding a combination of four, six, eight, ten, 12, probably max 13 is suiting us best.

Anna Carugati-Guise

In how many ways do you make your programming available to consumers? Because we know they no longer just watch the TV set and some don't watch the TV set at all? How is your programming made available?

Rozan Hamaker

Well, of course, with linear television, we have a catch up service and, when available, we offer the episodes in preview as well. Then in catch up, depending on whether it's acquired or a local production, it's streaming via the apps of the cable operators. Champions League soccer for

instance you can stream live. We are trying to get as many catch up lines for all sorts of content as a service to the consumer, to the viewer.

Jason Thorp

We distribute as widely as possible, certainly in the UK and in the US as well. Interestingly, the way we work with Channel 4 is, we use their linear services and around once a month we have a pilot of a series, and then the rest of the series gets instantly dropped; to be viewed as a temporary download to rent, if you like. Any platform that's possible. I would say probably around a third of our viewing is on mobile devices. Interestingly, given that the age profile is older, we're getting a lot of viewing on especially tablets.

Dermot Horan

I would say, for RTÉ, the RTÉ Player has been established for many years; it's, I suppose, the RTÉ equivalent to the BBC iPlayer. It is being re-launched early next year and will be more of a VOD service than a catch up service. We're already been going in that direction. There's also a lot of additional content that we commissioned for the RTÉ Player. If you're doing First Dates there'll be First Dates extra; so you'll be able to hear more from the couples about what they really thought of each other and that stuff does really, really well. In terms of scripted, obviously scripted drama and soap operas. Our own Fair City and Home and Away tend to do extraordinarily well on the RTÉ Player as well. But we will be making that player more of a VOD service.

The other thing we're noticing is, there's very large amounts of people now watching in live streaming. The conundrum for us at the moment is that our government hasn't got around yet to creating a media charge; like Ireland played Wales in a qualifier for the World Cup, and we got I think 1.3 million viewers, which is enormous in Ireland, watching on linear. We got another 150,000 people watched live on our streaming service. Now those people, obviously if they had a television, would watch on a big 4K television or whatever; or if they were in the pub they'd watch in the pub on a big television. Why did they watch on an iPad or a laptop? Because they didn't own a television and they don't need to pay a TV licence fee because of that. That's something that needs to be addressed, because those numbers of houses, apartments with people not buying a television is increasing. But it does show the appetite, and if you could capture that audience and add that audience to your existing audience, then you've got a very

powerful play.

Anna Carugati-Guise

This is for anyone or everyone. In your respective businesses and markets, is the audience measurement at the point that you're satisfied with? Do you know who's watching where and when, and for those of you who are advertiser supported, are you able to give your advertisers the kind of data that they need to continue to advertise?

Jason Thorp

Where we're on our own platforms, we have as much data as we can capture; depending on the level of resistance you want to offer up during the subscription process. We would love more information and more data from third party platforms, which isn't necessarily forthcoming. But yes, it's amazing what you can do when you have that data within your own eco system.

Dermot Horan

I would say, from a commercial perspective, if you look at the linear and even the PVR of the linear, you can actually capture all the audiences you need and that the advertising agencies demand. We sell 14 different trading audiences, housekeepers, 15 34s, 15 24s, etc. On the player we can only capture streams at the moment. Obviously, what a lot of broadcasters are aiming for and planning for would be say for the Nielsen system which currently has the audience measurement, is to have a single Nielsen measurement system for all devices that can add all of those audiences together to give ourselves and the advertisers a complete picture.

Rozan Hamaker

We are not able at the moment to do the streaming in the apps of the cable companies; we're not able to count it yet. Other than that, I think it covers what we need to do to keep our advertisers happy and to make our own proper decisions based on ratings and Intel that we get from that data.

Anna Carugati-Guise

Aurelie, Sundance Now and Shudder are available where now and what plans do you have for expansion?

Aurelie de Troyer

We're currently live in the US and Canada for both services and Shudder is also live in the UK and very, very shortly we'll be launching new territory. In the next couple of months we'll be live with Sundance Nine to three new territories and Shudder to new big markets. We've been taking it slowly, it's all about doing something very specific well; and so we've been really focused on building these brands when we enter a new market and that's the approach we've been taking. There's going to be more on the road map for 2018 as well.

Anna Carugati-Guise

Jason, you mentioned that, beyond where you are, you plan to go further.

Jason Thorp

UK, US, SVOD and next month for Australia. We are targeting, or in advanced conversations if five other major markets; which we will launch by, I guess, at the end of the first half next year. I'd love to tell you about it, but there are too many people to have to kill here. Yes, we are very rapidly scaling up.

Anna Carugati-Guise

What major issues are impacting your markets right now that will affect your business positively, or negatively?

Rozan Hamaker

Decline in viewing time and its message. That is huge and is something that's obviously not in my control. But the declining viewing time is so steep that we hope that it will stabilise and that it won't continue at this rate. That's a big issue for the entire market.

Anna Carugati-Guise

Decline from linear or from viewing in general because people are doing something else?

Rozan Hamaker

Both, but especially linear, and it's people doing, I don't know what, but they spend less time on a screen.

Dermot Horan

I think that's happening worldwide, particularly with linear. That being said, if you have these really big entertainment shows; these really big sports rights; actually bizarrely in Ireland very big documentary stories; investigative journalism stories, you can get very, very large audiences. But what you're not getting is that audience watching from six o'clock till 11 o'clock. They're coming and going and they're making choices. Some of the audiences are as high as they ever were for certain events. But then people have gone off to Walter or to Netflix or they've gone off to do yoga; they're not doing what they would have done in the past.

The other big specific challenge for the next couple of years, for the Irish market, is Brexit. We've seen a significant challenge in advertising because, a lot of people I deal with here at the market sell in the UK and Ireland and because of the spill over of Sky etc, that handle the UK and Ireland, a lot of the advertising agencies that handle the UK, their spend for the Irish market will be in sterling. Obviously what we've seen recently with the fall in sterling because of the Brexit uncertainty is, if you're Proctor & Gamble and you're advertising in Ireland, there's less money.

Equally, with a lot of Irish companies who've been exporting to the UK, particularly food companies, what they're finding is they're being squeezed by the weakness of sterling, and obviously one of the first things that gets affected is the marketing spend. A lot of what you hear in the news about the Irish situation is about the political situation and the creation of a border or a non-creation hopefully of a border between north and south. But actually there's a huge economic kind of potential problem there, if this is not resolved.

Anna Carugati-Guise

Well, we come to the point of the session where I invite Laurine to join me again; because, as I'm sure you've realised from the calibre of these individuals, they deserve some recognition for the contributions they've made to their industries. Therefore, we would like to honour you now.

Laurine Garaude

That was a great panel.

Anna Carugati-Guise

That was.

Laurine Garaude

Really, really interesting.

Anna Carugati-Guise

It's great to have been a partner with you for I think seven years now?

Laurine Garaude

Seven years. I'd like to say that we at MIP are particularly proud of this partnership and this award which recognises key acquisition leaders, so essential and at the heart of driving this industry forward; so it's very important and congratulations.

Anna Carugati-Guise

With no further ado.

Laurine Garaude

Let's do it.