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MEDIA MASTERMIND KEYNOTES:

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Laurine Garaude

Good morning! It's now time for the next Mastermind Keynote. My name is Laurine Garaude. I'm head of the MIP Markets at Reed MIDEM. Our speakers today are the executives who are making Facebook one of the most important and popular video platforms. More than two billion people around the world use Facebook and, more and more, they are coming to Facebook watch video. Our speakers are Daniel Danker, the Social Networks Director of Video Product, and Ricky Van Veen, Facebook's Head of Global Creative Strategy. They will share their insights into the increasing role video is playing in connecting people, and speak to us about the recently launched Watch platform. Daniel Danker leads Facebook's video products, including Facebook Live. He previously worked at Microsoft, BBC iPlayer and Shazam. Ricky Van Veen came to Facebook after having co-founded collegehumor.com and Vimeo, working for Barry Diller at IAC. They will then be joined in conversation by Marjorie Paillon, journalist at France 24, and founder of I Love Productions. Now, a very warm welcome for Daniel and Ricky.

Daniel Danker

Good morning. Thank you all for joining us. I'm Daniel. I'm going to share a little bit about our video strategy and then welcome Ricky to talk a little bit more about the content side of what we're building. I lead our video product team and I wanted to tell you a little bit about some of what we've learned over the past couple of years about video on Facebook, how that's influencing the things that we're building right now and a little bit about what we see coming in the future. First and foremost, we see that video is absolutely exploding on Facebook. Today, 50% of all mobile data traffic is going to video and over the next five years that's going to grow to 75%, so you can see that video plays a huge role in what's happening with consumption and data on the internet. Now, what makes video on Facebook special is that it's community driven and watching video on Facebook actually has the power to bring people together, to spark conversation and to foster a sense of community.

On Facebook, what we see, of course, is that the consumption behaviours around video really centre around those communities but they are different types of communities that play out. One, for example, is your friends and family, so you'll experience video because your friends say, "I saw this video and I tagged you in it because I thought about you when I saw it." Another type of community we see is people who share your interests but who you may not actually know. This may be familiar to some of you - you're a member of a group that is using video almost as a way

of communicating and sharing, but it could be about a hobby or topic that you wouldn't necessarily talk to your friends and family about. Finally, we see that video plays a huge role in connecting people with the whole community on Facebook through quite mainstream experiences. Today, more than 40% of all of the time that people spend watching video on Facebook is actually driven by that sharing behaviour that I was describing, as opposed to the original post of the video.

Another example of video that really fosters community, which we've talked a lot about over the last year, is live. What's special about live is that it's really authentic. When you're watching a live video, you feel like you're there in the moment with the person who's live, and you're also in the moment with the other people who are watching, so it's a highly interactive experience that's happening in real time; and today, one out of every five videos on Facebook is a live video, so people come together around these live videos for all different kinds of scenarios, everything from a quite casual experience where somebody shares their vacation and they're experiencing it together with friends and others who are commenting, but it goes all the way up to really big mainstream experiences, like the solar eclipse, which became quite social on Facebook when 29 million came together to watch it at the same time. 12 million people lived within the path of the eclipse, but 29 million people watched it together on Facebook, so it became quite a social eclipse.

What we learn from all of this, of course, is that the comments and the reactions that you see alongside a live video, they're as big a part of the experience as the video itself. You really can't imagine watching a live broadcast and removing the comments, it would just feel incomplete, and so we see that people comment ten times more on a live broadcast than they do on a regular video. It's just that incredibly interactive experience that's so important. Now, the common thread across everything I just described is just how powerfully video can bring people together and build stronger connections, and so as people are coming to Facebook more and more to watch video, we see that they're actually coming with the intent to watch video, their goal in opening the app is to watch video, and so we wanted to create a dedicated place where this could happen.

About a month ago, we launched Facebook Watch, and Watch is a new place on Facebook that's dedicated to shows. Now, shows themselves are actually a new format for Facebook,

because they're a type of video that was never possible in the news feed. They're a type of video that tells a story or follows a theme over a series of episodes, and we describe Watch as a platform for shows because it's a place where we expect ultimately any creator or publisher to be able to make a show, everything from niche interests to quite big mainstream shows that bring the world together. The goal is to make this platform so that creators and publishers can build a loyal audience and build communities through their show, and so I want to give you a little sneak peak as to what it looks like. When you first come to Watch, you'll notice that there's a tab at the bottom of the app and that tab, when you first come in, presents you with a series of shows that are based on your friends and your interests and the communities that you're a part of.

These shows are organised into sections that are built around communities so, for example, you'll notice sections like Most Talked About, which reflect the shows and episodes that are sparking conversation, that maybe your friends have commented on, where there's a lot of discussion happening. There's another section called What Friends Are Watching, and this is really a place where you can discover shows that your friends are following that you can watch together. If you've ever tried to figure out what should I watch now, often that signal from what your friends are into becomes incredibly important in helping you choose what you'd be interested in watching. Finally, we have a section called What's Making People Laugh, and it's entirely driven by people's use of the Haha reaction. As people are hitting that reaction, it's populating this section with things that make you laugh, so if you want to laugh it's a good place to look.

There are going to be many more sections that are oriented around community, that help you find what to watch. Now, another really important part of Watch is the Watch List and this is a place where, if you're following a show, you know that you're going to get every new episode as it comes out, so you know you'll never miss out. But I think this is equally important for publishers and creators who themselves now, for the first time, have an ability on Facebook to build a loyal audience and know that everybody's going to get the latest episodes in order, and we all know that that's such an important part of storytelling. Watch will make it easier to tell stories in an interactive and community oriented way, where you can build a loyal audience. When you tap through to watch a show, we've brought forward some of the things that we've learned from life. I mentioned that that interactive component and the comments in live feel like such an important part that they become as important as the video itself.

Well, the same is true here, and so while you're watching shows you'll see the comments alongside the video. We even enable publishers to create a group that they can link to the show, so that they can continue connecting with the biggest fans even between episodes. It's a really unique part of how shows work on Facebook. Now, all of this really only works if we build a great product that connects with fantastic content, and so I want to hand it off to Ricky, who'll tell us more about the content on Watch.

Ricky van Veen

Thank you, Daniel. For Watch to work, not only do you need a delightful product experience, like Daniel outlined, but you obviously also need compelling content. One engineer at Facebook put it this way, he said, "Watch is one thing at Facebook where code alone can't make it work." My team's role is to work with people like yourselves to get shows on the platform that drive excitement, inspiration and innovation for Watch. If we do our jobs right, over time a thriving and self-sustaining ecosystem of shows will develop. Since you haven't seen enough scissor reels already, I have one more for you. Let's take a look at some of the initial shows from Watch.

VIDEO CLIP

Ricky van Veen

The second most frequent question I get, right behind "What is Mark Zuckerberg like?" is "What makes a good show on Facebook?" Obviously it's early, but here are some of our early learnings. First, it should activate communities. That's something Daniel hit on when he talked about the purpose of the product, and when I say communities, I mean that in a few ways. One, you could tap into an existing community - an example of that would be a show called The Great Cheese Hunt, that Business Insider does for us, that does really well, obviously for cheese enthusiasts. You could have a new community form around the content, like a mystery series where people talk about what's going to happen next; or it could use feedback from the audience from that community to inform the storyline of the show. Returning the Favor, which you saw there, honours a new person every week. That person is pulled from the show's comments.

Second, videos in Watch are typically longer than what you'll see in news feed, and that's because Watch is a place for intentional viewing. One of our shows, Loosely Exactly Nicole - I'll

give you a stat from that - of people who watched for at least one minute, those people watched an average of 15 minutes. The episodes are only 20 minutes long, so this is a behaviour that we didn't really know before we launched Watch whether it would exist and we're really delighted with those results. In fact, we have yet to see the upper limit of how long people will watch shows, episodes on Watch. Third is non-traditional formats. Obviously, video on Facebook isn't constrained by typical 30 or 60 minute blocks, but it can also be a mix of live, it can be VOD, and you can also use other elements to tell the story, like photos or text or polls. Last, and I think most importantly, is that the content is built for Facebook.

When I say built for Facebook, what I mean is that if you took it off of Facebook, it either wouldn't be possible or it wouldn't exist, or it wouldn't be as good. Let's look at some of our shows and dig in a little deeper. This one is called Make Up or Break Up. The premise behind Make Up or Break up is a couple goes on, they're having trouble in their relationship and they use the wisdom of the crowd to decide what to do next. This is a live show and it incorporates polling, so the couple's getting a real time feedback from the audience that gives them advice. Now, over 70% of people who commented on the first episode of Make Up or Break Up cast a vote for the couple to either make up or break up, and all the other comments were constructive feedback about their relationship, so people are super engaged with this programming and they're not just talking about random stuff, which is great.

Next up is a show called Between the Scenes. This is a series that Comedy Central in the US put up. It's from The Daily Show, which is obviously one of their flagship programmes. Now, in between commercials while they're filming the nightly show, they keep the cameras rolling and they've created a show called Between the Scenes, which is the footage of when Trevor Noah, the host, is talking to the guests. This is a great example of a broadcaster engaging an existing audience in a new way and growing that audience as well. Last, this is called Win This House, and this is a brand new series that we've just put out. This was created by a couple who were formally on HGTV, and the premise of the show is that, with the audience's help, with the community that's formed around the show, they renovate a home room by room and then at the end someone wins the house.

The cool thing about this is they integrate the on demand episodes with live episodes throughout the week, where they ask the audience, "What colour should this room be? Which faucet do you

like?" and they get real time feedback so by the end, by the time somebody actually wins the house, they feel like they have a stake in what was built. What's next for us? Well, expansion. We just launched Watch about six weeks ago in the US. We're learning, we're seeing what's happening and we're excited to roll it out more broadly in the future. Second, renewals. We just announced some renewals of Returning the Favor, Ball in the Family and scripted shows Strangers and Loosely Exactly Nicole.

Third, new series. As I've said, Watch is a platform and we're excited to see what the community and content creators will bring to it, and I'm also really excited today to announce a new show that's coming to Watch. We are bringing the English language version of Skam to global audiences on Facebook Watch. The first time I saw Skam, I felt it was the perfect show for Facebook and the perfect show for Watch. For those of you who don't know about Skam, it's a show out of Norway by the Norwegian state broadcaster NRK. It's a teen drama and the way it's told is built for social media. If party is happening Tuesday at 2am in the storyline, that four minute scene will go online Tuesday at 2am. If there's a recap conversation about it at lunch the next day, Wednesday at noon, that goes online. Not only is it told in that non-traditional format, but the characters themselves have Instagram profiles, Facebook profiles, they interact with each other, and that is obviously very compelling for us.

We're doing this in partnership with Simon Fuller - he's been an awesome partner so far - and Skam's original creator, Julie Andem, will be showrunning the series, so we're obviously very excited about that as well. I'd like to welcome Marjorie, who's going to come up and grill us with some questions. Thank you very much.

Marjorie Paillon

Great presentation by the way, but we're definitely in an era where we're all competing for the time and attention of our users. Now, if you turn those users into viewers, you have a smart idea, because video is so powerful when it comes to keeping captive audiences and trying to manage their engagement. I'm just wondering if there is a Facebook way of defining content and specifically shows, Dan?

Daniel Danker

Yes, well shows on Facebook, I think, are really interesting because they have this amazing

ability to keep people engaged and keep people coming back, which really lends itself to telling stories, which is something all of you do every single day. I think what's exciting to us is that it's creating a new type of format, where people can connect with stories they love and where community can really form around that content. We get excited about the community element because we see more and more examples of creators and publishers wanting to connect with their audience in a really powerful way.

Ricky van Veen

Yes, and I'll use an example that literally happened in the US while we were sleeping here last night. We have the show, *Returning the Favor*, where Mike Rowe, as I said, goes and finds people in their community who are doing great things. He found this woman, Katie Hughes, in Portland and she was helping young women prepare for skilled trades like being an electrician, being a carpenter, setting up this camp called *Girls Build*. Mike went and they really didn't have much to work with, *Returning the Favor* got them all new power tools. This was maybe three or four weeks ago. We found out that two days ago, it was robbed. I assume somebody had seen the episode, broke in, took all the expensive power tools. Mike shared that with his audience, with that show's audience, and said, "Hey, remember Katie? This is what happened. Let's raise money to replace all her tools." Within minutes, her inbox was full of donations and that is something that isn't possible anywhere else. They often sound like talking points, "Oh, it's community, it's video." This is an actual real life example of those things coming together in a really magical way that it's hard to imagine where else it could happen.

Marjorie Paillon

Of course, you have the social layer and the interaction layers on the Facebook team when it comes to content, but still why do you guys think shows and video content on Facebook is so unique compared to your competitors?

Daniel Danker

Well, I think that it's built around people and it's built around your friends and the people who matter to you, and so we all have this experience where we're trying to figure out what to watch and it's difficult to choose from a list and everything looks good but it's hard to know what you want to get into. Now, often the biggest motivator is that you know this is what your friends are into, this is what the people that matter to you will be into and the conversation that that starts is

as important, so we see that as something that's very, very exciting. I think that, when creators and publishers really start harnessing that power - that's one of the reasons I'm super excited about Skam, because it really engages that in a way that's quite unique and I think makes for a much more engaging experience.

Marjorie Paillon

So a friends' recommendation algorithm, right? Ok, now let's talk about money. You are actually funding some shows to kick start the Watch ecosystem, but what is the long term goal in terms of commissioning these shows?

Daniel Danker

Well, first and foremost, it's really important to understand that what we're making here is a platform and what we mean by that is that ultimately we want anybody to be able to make a show and connect it with their audiences. The reason I say that is that the way that will work is by funding shows through ad breaks which publishers can insert into their episodes, and they choose the moments in the episode to insert those. Publishers can also make money using branded content, so if there's a sponsor for your show, you can represent that sponsor and that brand in what you publish. We're now nearing nearly a thousand shows on the platform, so the vast majority of the shows are ones that created by publishers and creators that are excited to make a show, but we're also seeding that ecosystem by experimenting with a small number of shows that we're helping fund to really see what's possible when you create something that is built around community and engages fans better.

Ricky van Veen

Yes, take for example that series Make Up or Break Up. We made that an interactive series and hopefully other people will see that and say, "Oh, I'd like to use that polling feature as well," or, "I have an even better take on it." The rationale behind us funding content is to take the first step, be the leaders in innovation and show what's possible.

Marjorie Paillon

So you're actually still beta testing the better options when it comes to monetisation for video creators and publishers? You're still actually learning so that you can come up with the best option possible to monetise. Then you came back to live, because actually live's been huge over

the past season, but I just wondering, is live still a priority or are you all focusing on Watch now?

Daniel Danker

You were telling us this morning how you use live, which is really cool. We love live and the reason we love live is because it connects with audiences in such an amazing way and such a real time and authentic way. Live plays a huge role in Watch and, in fact, a lot of what we learned from live has now made its way into Watch. For example, as I showed earlier, whether the episode is live or not, now as you're watching you can see the comments happening in parallel, so it makes it a much more social experience, a much more interactive experience. We also enable publishers to make shows that can be live, recorded or a mix. We talked about Make Up or Break Up. What's really cool about that is that when people vote in the episode, the contribution from that interactivity while live actually makes it better for all of us watching, even if it's no longer live. We have a lot of examples like that where live plays a big role.

Marjorie Paillon

There is still, again, beta testing in terms of format what matches or fits the most in the Watch program, but still maybe one of the biggest trends or buzzwords over the past season has been fake news, and I'm just wondering how you're going to manage news content into the Watch program. Is that an idea, new options, to bring more content on the Watch platform?

Ricky van Veen

There's currently a lot of news content on Watch. Obviously, it's just rolled out in the US now, but it's really interesting, because it is a platform and we have people from all parts of the political spectrum uploading content and videos and those series are doing really well. We're not personally commissioning and my focus is not making news content, but because it is a platform, it's great to see those voices. I think that people develop daily habits around Watch and obviously news speaks very well to a daily habit, and so I think that's why those series are doing so well.

Marjorie Paillon

So there's not just one type of format that fits every device, every single type of content, we'll be find on Watch, and I think we had a glimpse or a clue on the calendar when it comes to the expansion of Watch, of course, with the British version of Skam. But still, do you have a calendar

and do you have any idea when you are actually roll Watch internationally?

Daniel Danker

Well, we looked at the calendar yesterday and realised that tomorrow it will have been six weeks since we launched Watch. It's so new, it's so recent that we really, first and foremost, need to learn from what we've just started to roll out. Our first step in that is to understand how people's behaviours are changing with Watch, how people are using the product, what's working, what can we do better and equally, what we can do to make the experience better for publishers. As we're bringing all of those learnings together, we're going to iterate the product, we're going to make the whole experience better and that will guide our timeline for when we take it internationally. Of course, our aim is to bring it to more countries, but at this stage it's just a tick too early to know just when.

Marjorie Paillon

So stay tuned, right?

Laurine Garaude

Stay tuned.

Marjorie Paillon

Okay. In terms of content, do you think, Ricky, that shows can be tailored to an international and global audience?

Ricky van Veen

Yes, I think so. Obviously, genre tends to work very well, action, you know, sometimes with comedy it gets lost in translation and everybody here knows how those international patterns work. But I think what's really compelling about the opportunity that publishers, creators and producers have with Facebook is to reach a two billion person audience. I don't think that scale of audience has ever been possible for one place before, but when I think about what I'm excited about for the future, I'm thinking, "Will somebody out there create a global show that the entire world wants to watch at the same time?" It sounds lofty and idealistic, but it's now possible.

Marjorie Paillon

Okay. Now it's maybe a Make Up or Break Up question. Are you trying to bring together your own ecosystem when it comes to content and regulation wise? What does it tell us?

Daniel Danker

Well, with all of the products that we roll out, we obviously run a global product with Facebook, and so we work in a variety of different geographies and, with that, we align to all of the regulations, and our plan would be to do exactly the same thing with Watch as we bring it to more places.

Marjorie Paillon

Okay. What's next? What are the next steps you want to take when it comes to Watch and live or other type of content? And are you guys going to produce your own shows, Facebook branded shows?

Ricky van Veen

Well, I'll answer the first question first. In terms of what I'm excited to see, Facebook has a history of rolling out products and the products evolving very quickly based on what the people who use them do with them. As Daniel said, it's six weeks old. In a few weeks from now, we could get signal from the audience that says, "No, we prefer to watch shows like this," and it could completely change. I'm excited to get that feedback as more people use it and see how the product evolves and how the content evolves. In terms of the question about branding shows or something like that, I think we're very early and we're still figuring it out but, given that it is a platform, I'd always lean towards the creator or uploader or producer and putting the focus on them because, at the end of the day, our goal is to amplify those voices.

Daniel Danker

I think to Ricky's point, he often talks about what's unique here is this combination of the really social experience that's really people centric with content creation that can bridge the connection with those people. When I think about what's exciting for the year ahead, I'm most excited to see how that content comes together with the community. I think live taught us all kinds of new things about how that works. We saw that happen with creators, but we equally saw that happen with publishers, who started interacting with their audience in ways that they never could before. I think we're in for a treat when we see what happens here as new creators and publishers around

the world start making shows.

Ricky van Veen

Yes, just the idea of video viewing and social media happening at scale in the same place is really exciting to me as a person in the content world, and there's going to be so much to do with it and for us to see what happens.

Marjorie Paillon

Facebook taking on the video revolution. Thank you so much, guys, for your insights and perspective. Thank you very much for your attention and I think you have a brilliant, super panel waiting for you in a minute.

Ricky van Veen

Thank you.

Daniel Danker

Thank you.