

# Local Differences in Global Content Travelability for Established and Emerging Markets

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CONTENT ○

MARKET ○

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## Introduction: Exploring The Challenges Of The Global Content marketplace

In an age where content distribution platforms are increasingly moving from regional to global, how can a content provider in any given market stand out from the crowd?

To differentiate from competitors, more and more global content providers are commissioning local content tailored to the tastes of the specific country. Done correctly, these shows can boost regional subscribers to premium channels and SVOD services, while still maintaining the high quality of a global operation.

However, in an interesting twist there have been multiple cases of shows from regional producers that have attained unexpected success elsewhere in the world. In this highly connected age, fans of a show can spread their knowledge and enthusiasm for it to any corner of the world and as a result passionate viewership for a show can take hold in the most unlikely places.

The whole TV industry is constantly on the hunt for the next *Game Of Thrones*; a global blockbuster that attracts huge audiences in every part of the world. However, megahits like this are few and far between. By identifying which shows appeal best to which countries, all sectors of the industry can maximize returns on even the most modest show.

### This whitepaper will explore the following themes:

- How can a producer know that they should capitalize on fans that they don't know exist?
- How can a distributor develop pricing models for regions where a show hasn't aired yet?
- How can global platforms commission content for maximum appeal with minimum cost?
- Without comparable data from each country, especially when shows have not yet aired there, how can any of these questions be solved?



Taking Netflix's *Dark* as the example, we explore which markets *Dark* was most successful in by quantifying the relative demand in various global markets.



**What is content  
travelability?**

## Introduction to travelability

### Netflix's *Dark*

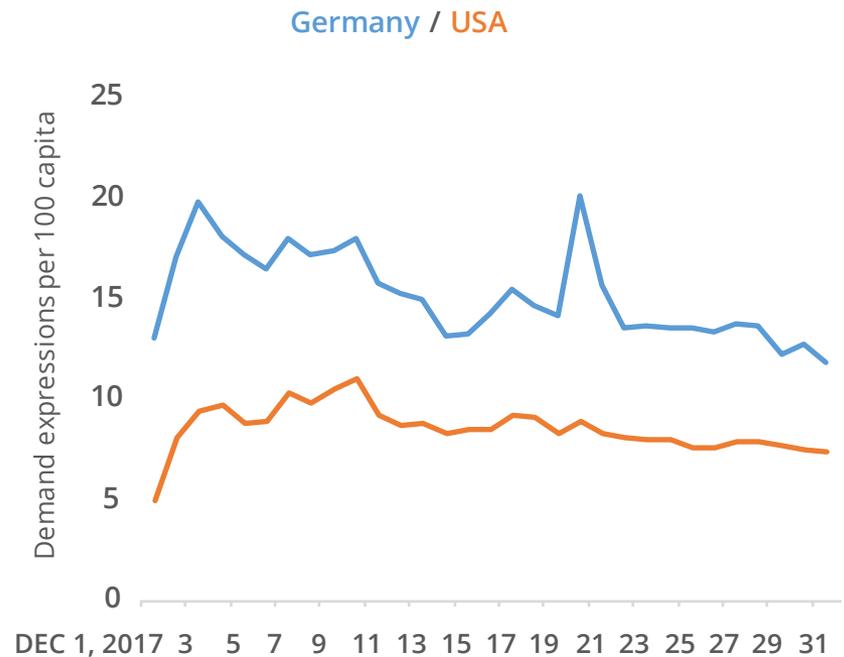
This graph shows the daily demand per capita for *Dark* in Germany over December 2017. The full season of *Dark* was released all at once, as is customary for Netflix. However, unlike most Netflix shows, demand for *Dark* did not drop off sharply after the first week. Instead, it stayed largely steady as news of the quality of the show spread and new viewers started watching it.

The show was a definite success in Germany: It was the 4th most in-demand show overall in the country in December 2017.

As Netflix is a global content distributor, *Dark* was also released in all other countries at the same time. The charts shows how US audiences also discovered the show, at a slightly slower rate than German audiences, with the first US peak about a day after the first German peak. As this demand is per capita, we can directly compare the two countries and so observe that the US has about half of Germany's demand.

Clearly *Dark* has appeal beyond Germany – but how can we quantify this appeal across multiple borders?

Demand for *Dark* in Germany and USA in Dec 2017



## Quantifying relative demand in different markets

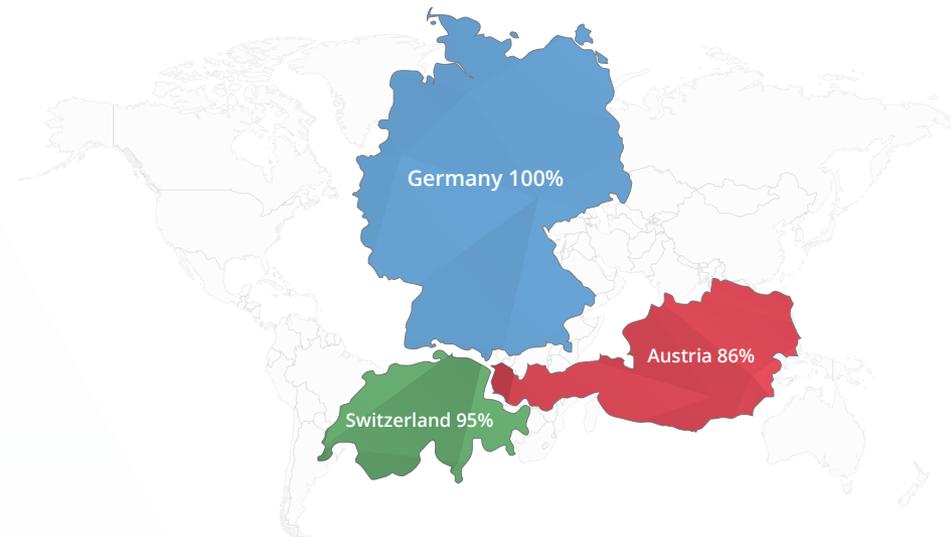
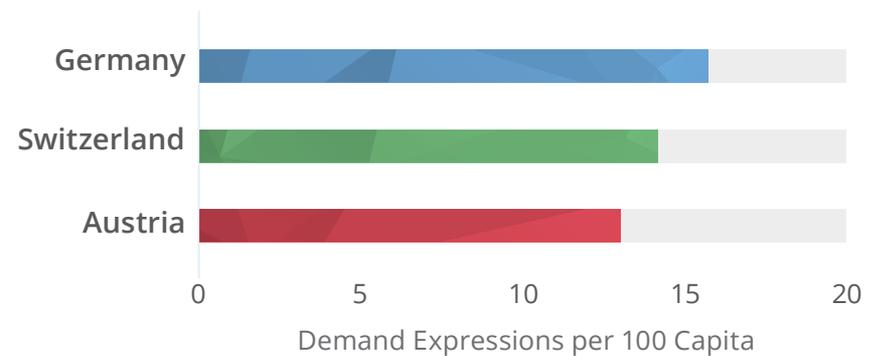
The usefulness of the travelability metric is that for the first time, the industry can precisely quantify the ability of shows to appeal across borders.

To start, let us use travelability to quantify how well *Dark* travelled to the show's natural expansion markets: The other majority German-language markets of Austria and Switzerland. We start by calculating the average Demand Expressions per 100 Capita for *Dark* during December in all three countries. By controlling for the different populations of each country, we get a comparable metric of demand for the title.

From this, we can determine travelability. Taking the demand in the show's origin country of Germany as 100%, we convert the demand in other countries to a percentage of the origin country demand. Shows are usually most popular in their original country so this is usually a lower percentage, but in some cases a show has higher demand elsewhere and the travelability can be over 100%

As expected, *Dark* travels well to the countries that share a language with the country of origin. Switzerland has nearly the same demand for the show as Germany with a travelability of 95%, while Austria has slightly less at 86%.

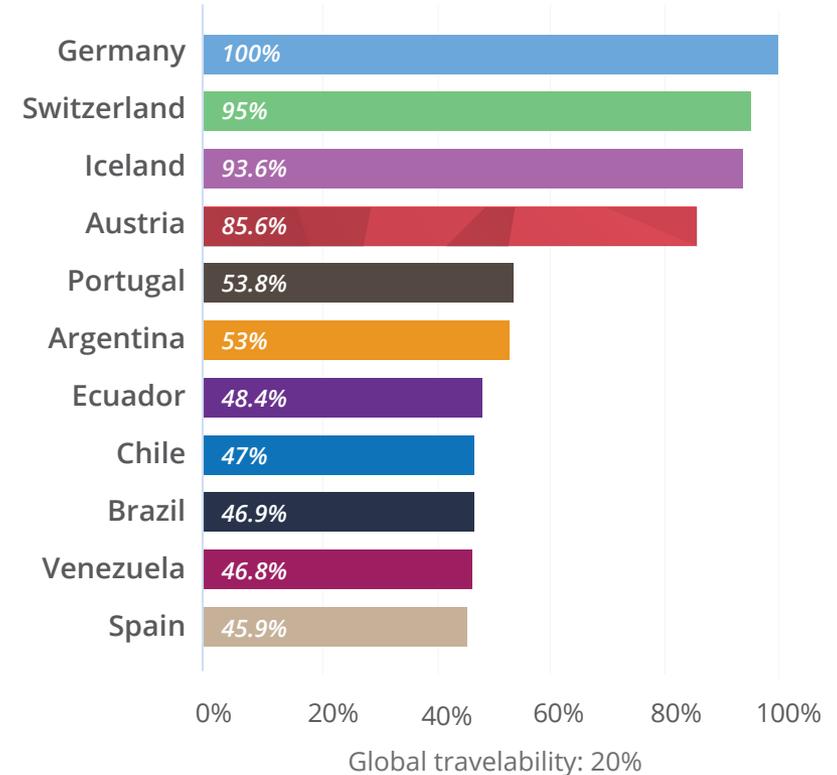
Demand for *Dark* in Dec 2017



## Which markets was *Dark* most successful in?

Mapping the top ten countries for *Dark's* travelability reveals that although *Dark* performs best in the German-speaking countries and Iceland, it is also very popular in Portugal and Latin America.

We can also extend this approach to obtain an average of the travelability for a show in all the countries in the world. This gives us the global travelability of *Dark*, which is 20%; the show travels extremely well for a German show, as the average travelability for shows of German origin is 5%. This means *Dark* is four times more popular internationally than the German average.





Taking NRK's *Skam* as the example, we examine how new audiences for existing shows can be discovered and how travelability can guide content production.



**Business  
applications of  
travelability.**

## Discovering New audiences for existing shows

One use of the travelability metric is to discover territories with a significant audience for an existing show that is not legally available in the territory.

Historically, this has been a tricky problem for the industry as old-style ratings cannot provide any data without traditional airings - and so information about expanding to a new market must be based on costly market research offering limited business application.

With travelability, this uncertainty is removed and unexpected demand for a show in a country can be easily identified. Licensing costs for these new markets can also be based on whether the demand is higher or lower than average travelabilities of similar shows, allowing for fairer, more accurate data-driven pricing for all parties:

- Content providers no longer have to worry about undercharging for content that will be a runaway success in a local market.
- Platforms no longer have to take expensive gambles on importing shows that they are unsure will attract local viewers.



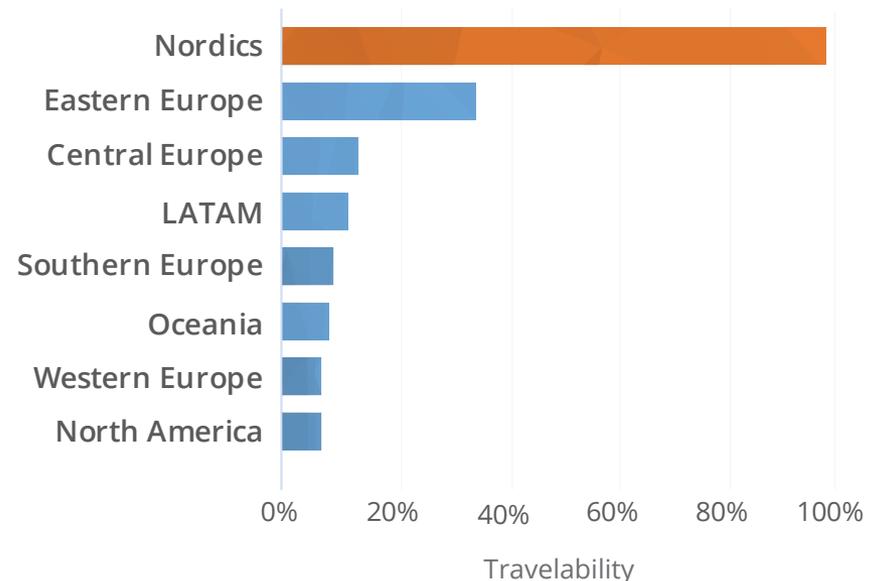
## Finding the fans of *Skam*

An example of discovering new audiences is the surprise buzz around NRK's Norwegian teen drama *Skam*. A huge success in the Nordic markets, online activity helped the show find a dedicated following around the world, with fans in every continent.

As the only region where the show was legally available, the Nordic demand is far higher than any other; in all other parts of the world, fans had to rely on pirated unofficial translations to watch the show. Travelability data over the show's season 4 release in the Nordics shows that *Skam* amassed a significant following in Eastern Europe, followed by Central Europe and Latin America. Regular ratings could never identify these overseas fans, as *Skam* could only be tracked in the one region it aired in.

Rights to *Skam* have since been [Licensed by Facebook](#); the company has hired the original producer to make a US version for their Facebook Watch platform. Facebook may well have noticed the big increases in *Skam's* US popularity from their own data, allowing them to outmaneuver the established networks. With far more data sources underpinning the travelability metric, the playing field is now levelled for all producers, allowing the true value of rights in a particular market to be assessed.

Travelability by region for *Skam* season 4

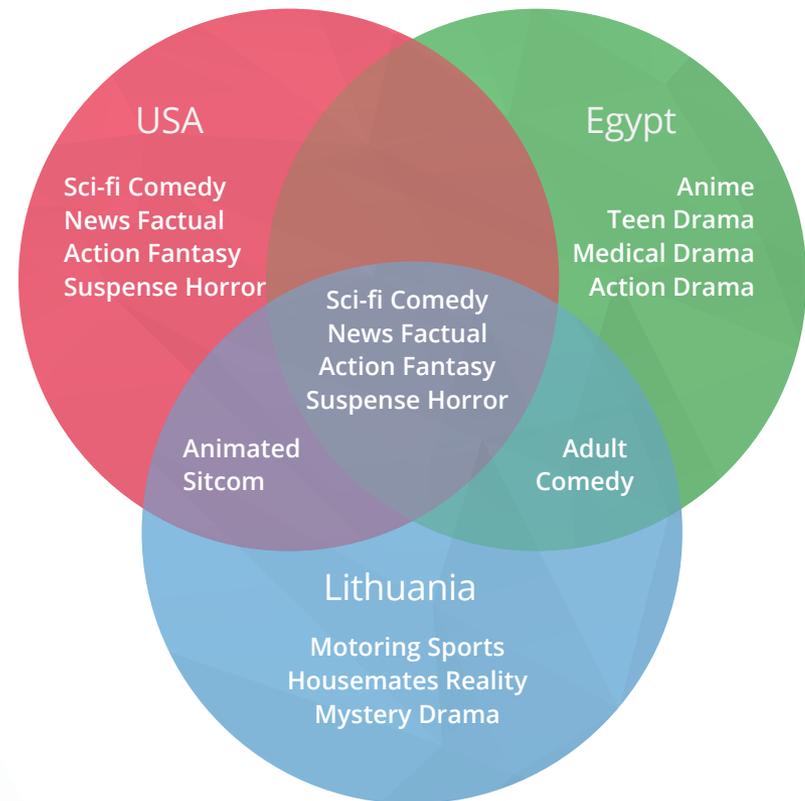


## Predicting local audiences for new shows

Before a show airs in any market, negotiations are ongoing for international rights. However, for shows that have yet to premiere even in their origin market there are no ratings on how popular they are to base these negotiations on.

Knowing the average travelability of shows of a specific subgenre from one country to another provides a sound basis to agree licensing costs. As an illustration, the Venn diagram to the right contains the 10 most popular subgenres over the second half of 2017 for three countries.

With data like this, an American producer of a new Animated Sitcom already knows that the show will likely appeal to Lithuanian audiences. The producer can then use the US-Lithuania travelability of Animated Sitcoms to work out the value of the new show to a Lithuanian distributor, all before the show has ever aired anywhere.



## How Data Can Guide Content Production

Taking a data approach can also be used elsewhere in the content value chain. Commissioning content is often now a global effort, where the appeal of a show into multiple specific markets must be considered and a producer's catalogue must appeal to the maximum number of markets for the lowest production cost.

A data-based example: Japanese animation is a top subgenre in Japan. However, titles from this subgenre also perform very well in Brazil. Knowing this, producers of a new anime series could aim to maximize the Brazilian audience for their show by drawing on influences from other popular subgenres in Brazil. This could be accomplished in several ways; by making the setting of the anime apocalyptic, historical, fantasy-related or even medical, and/or by casting a Brazilian celebrity as a voice actor.

This title would then be part of one of the top subgenres in Japan, while incorporating elements that have a quantifiable appeal with Brazilian audiences.

### Japan's Top 5 Subgenres in Jul - Dec 2017

Family Reality

Apocalyptic Drama

News Factual

Japanese Animation

Superhero Series

### Top Non-anime Subgenres in Brazil

Apocalyptic Drama

Historical Adventure

Fantasy Drama

Celebrity Reality

Medicalo Drama



Whilst global availability is a major driver, shared language regions are also a major factor to accelerate cross-border content travelability.

**How to influence travelability?**

## Global availability drives content travelability

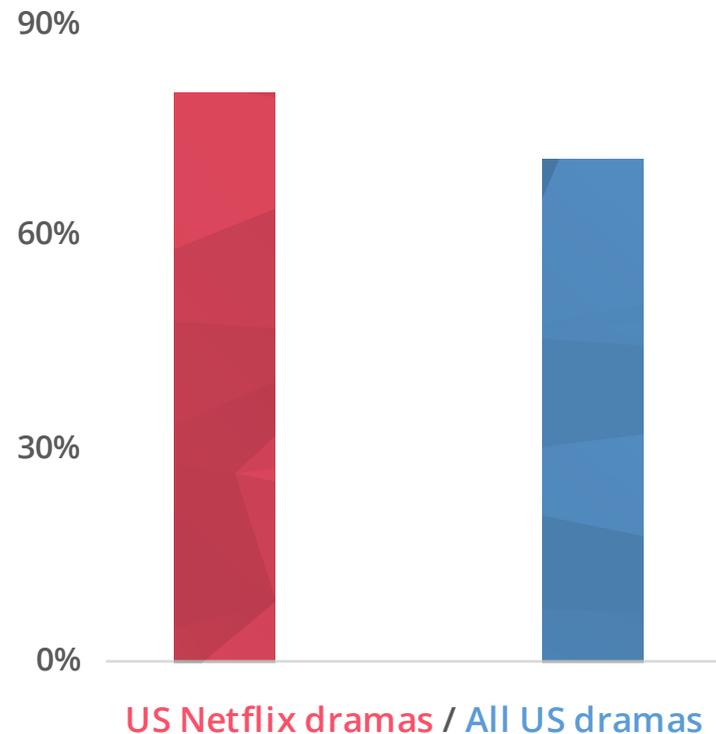
Every content producer and seller is constantly trying to improve the travelability of their own shows. One major factor distributors control that affects travelability is the legal availability of the show in countries around the world.

As an obvious example of the strong effect of this factor, Netflix is now available in almost every country and consequently Netflix's US originals are in most cases released globally at the same time as they are in the US. In contrast, US shows from other platforms often have a delay of up to several months before they are aired in other countries and in some cases, are never officially released.

Although US dramas in general export very well across the world, we see here that in 2017 the easy global availability of Netflix original dramas gave those shows 9% more travelability than the US drama average.

Ensuring the whole world can legally see your content as soon as it is premiered anywhere is thus a significant factor to aid travelability.

### Global Travelability of US Dramas in 2017



## Shared language regions have high travelability

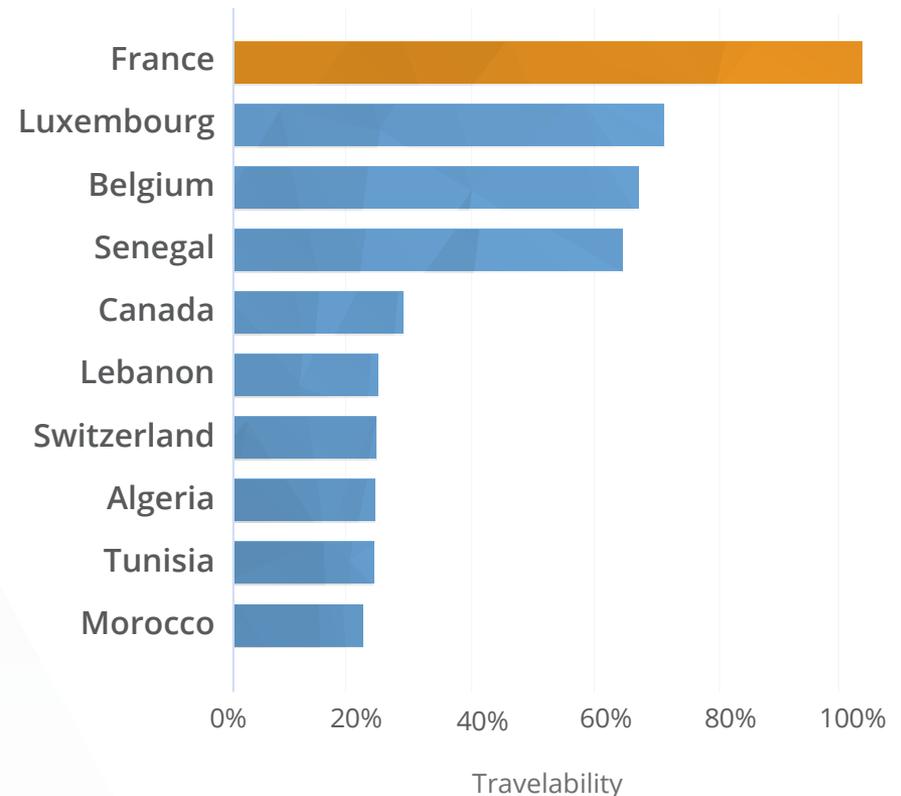
A factor that cannot be influenced but should be used to guide content decisions is shared language regions. This factor is intuitive: Shows travel best to and from countries that have a significant population that speaks the same language.

To demonstrate this, we have examined the countries that have the highest affinity for French-produced content. Naturally, France itself is the best market for French content, but it is followed by three countries that also speak French as an official language: Luxembourg, Belgium and Senegal all have around two-thirds of the French demand.

After this, demand for content from France is highest in countries where French is a significant minority language. The demand from these countries is around 25% of the demand in France and includes countries like Canada, Lebanon, Switzerland and several North African countries.

Therefore, content producers can know in which markets their show will likely have the most appeal due to the languages used before shooting even begins.

### Top countries for content originating in France

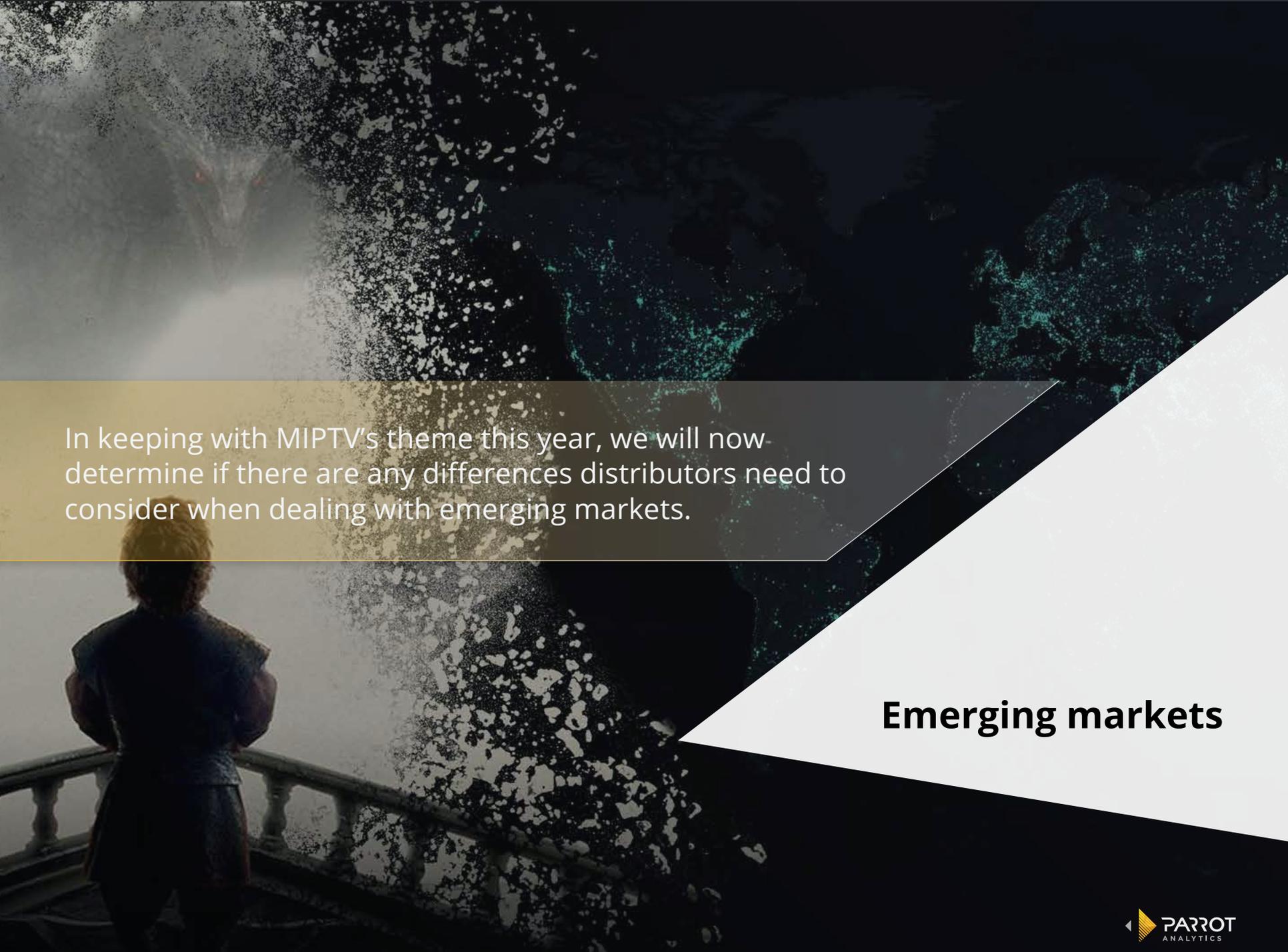


## Travelability can measure every market's local differences

Of course, international movement of content is far more complex than just the two examples of availability and language that we have detailed in this section.

There are many factors that can affect the production and distribution of content globally stemming from the cultural, geographic and language differences between the different TV markets of the world: Exporting Icelandic crime dramas to Sweden has very different challenges to importing Chinese competition shows to South Africa, for obvious reasons.

However, no matter which specific local factors affect a particular set of countries, the Demand Expressions data underpinning travelability is a true global measurement. It allows the effect of every single one of the factors that affect international content production and distribution to be quantitatively measured.



In keeping with MIPTV's theme this year, we will now determine if there are any differences distributors need to consider when dealing with emerging markets.

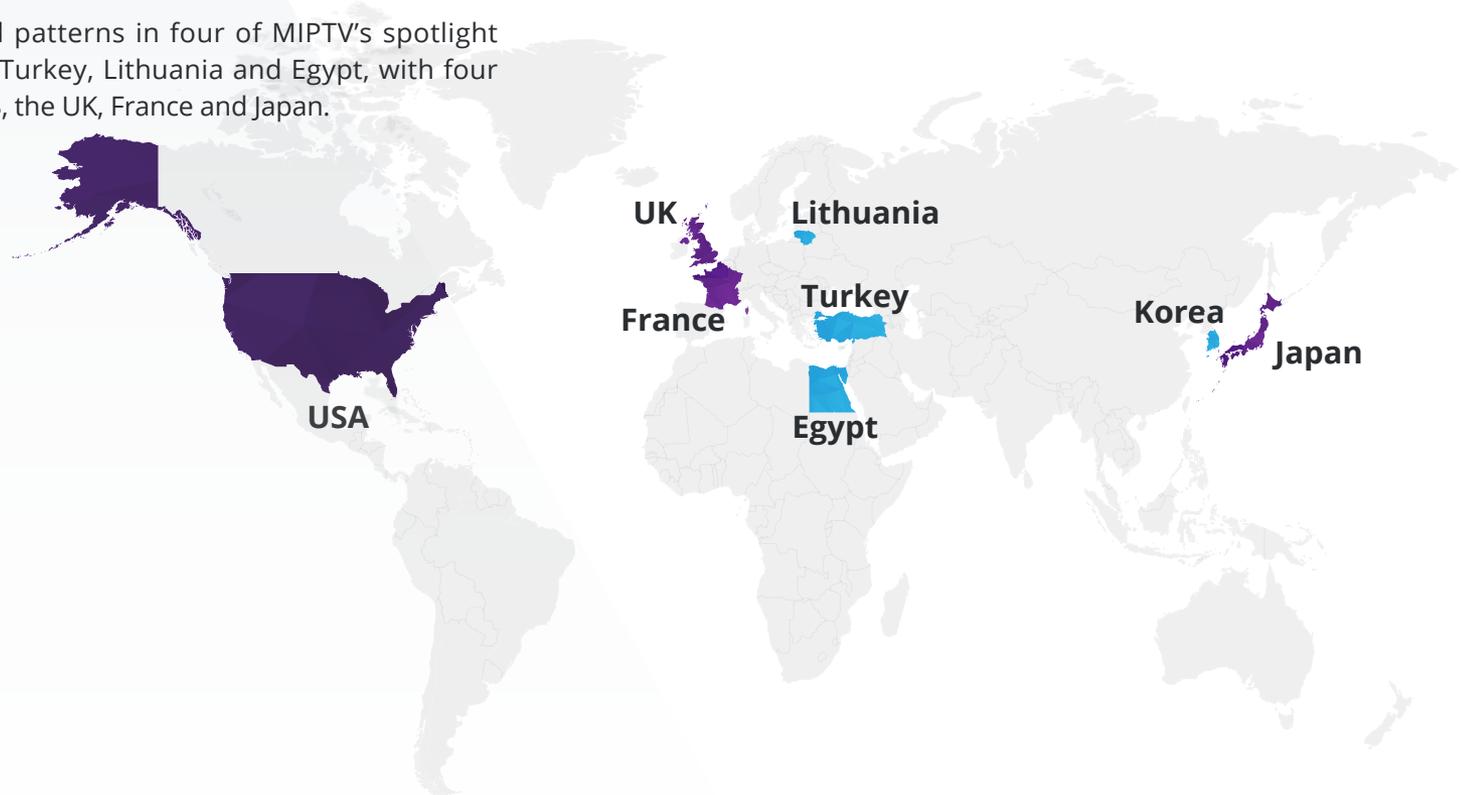
**Emerging markets**

## What do distributors and producers need to know about emerging vs established markets?

The challenges and rewards of exporting to new markets are well known within the industry: While each market of course has its own quirks and trends that influence what content is ultimately successful, it is worth our while to see if any overarching audience demand trends occur between developed and established markets.

We now compare demand patterns in four of MIPTV's spotlight emerging markets: Korea, Turkey, Lithuania and Egypt, with four established markets: The US, the UK, France and Japan.

### Emerging Markets | Established Markets



## Emerging markets with a strong domestic TV industry greatly prefer their own content.

By looking at the average demand for shows by origin, we have discovered that emerging markets with a strong domestic TV industry (one that exports significantly) very strongly preferred their local content.

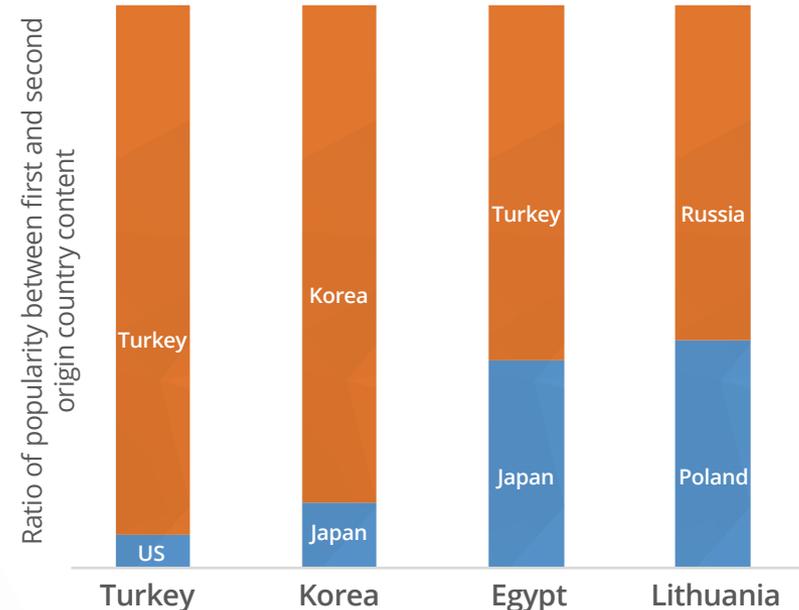
Turkey is the best example of this trend. The highest average demand there is for Turkish content and the second highest is for American content, with 17 times difference in demand between the two origins. A similar pattern holds in Korea, where Korean content has eight times higher average demand than Japanese content, the second most in-demand.

However, in Lithuania and Egypt locally produced content did not have the highest average demand: Lithuania's most in-demand content originates from Russia with Polish content second, while Egypt favors Turkey and Japan. The gap in average demand for shows from the most and second most in-demand origin countries in Lithuania and Egypt is much smaller, at only 1.4 and 1.7 times, respectively.

Emerging markets without a strong domestic TV industry are likely to import from many sources: they do not rely on a single country's output.

We would like to end this slide with a caveat: We have not taken into consideration the rate of growth of the industry and other factors impacting on local production. Therefore, as this is a snapshot in time for 2017 only and given we are dealing with emerging markets, data could change considerably in the future.

### Proportion of demand from most in-demand origin vs. second most in-demand origin only in MIPTV's emerging markets in 2017



## Regional content can be very important to emerging markets

To discover which foreign content origins are most likely to appeal to emerging markets, we analyzed the most in-demand content origins for Korea and Lithuania

This shows us that four of the five top content producers with high average Korean demand are in Asia. Similarly, three of the highest five content origins for Lithuanian demand are in Eastern European countries.

This result indicates that shared language or cultural values means that content from elsewhere in their region is far more likely to be higher in demand than anything else.

Emerging markets are a prime opportunity for content producers in the same region to distribute their shows to new audiences.

Korea		Lithuania
Korea	1	Russia
Japan	2	Poland
Taiwan	3	Ukraine
China	4	Japan
US	5	US

## Global content still has a place in emerging markets

While regional content is important to individual emerging markets, when the favored content origins of all eight sample countries were analyzed, a macro trend became apparent - even though the eight countries are highly distributed geographically and culturally.

Despite the global prominence of US TV, of the eight countries profiled here, the US was only the highest demand country of origin in the English-speaking US and UK. However, US content was at least the fifth most popular origin for content in all eight countries.

Interestingly, this feat was also managed by content originating from Japan. While Japanese content was only the favorite in Japan itself, Japanese content also appears in the top five of all eight countries.

The tables give the full performance of these two countries across all eight of the sample markets, both established and emerging.

While this is obviously a small sample set, in these markets Japanese content tends to place higher in emerging markets while US content tends to place higher in established markets.

In this manner, synergies of content origin preferences across regions can uncover where global producers should commission content to appeal to the maximum amount of target markets, while regional producers can know where their existing content is likely to find an international audience.

### Content origin ranking in MIPTV emerging markets

	Egypt	Turkey	Lithuania	Korea	
US	3	2	5	5	
Japan	2	4	4	2	

\*For example: Out of all content origins, content from the US was the third most in-demand in Egypt

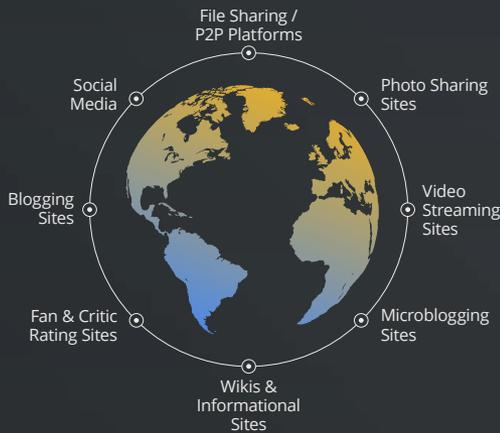
### Content origin ranking in established markets

	France	Japan	UK	US	
US	2	3	1	1	
Japan	3	1	4	2	

\*For example: Out of all content origins, content from the US was the second most in-demand in France

# Methodology

## Global content demand measurement



Consumers express their demand for content through various “demand expression platforms” including:

- ▶ Video Streaming Platforms
- ▶ Social Media Platforms
- ▶ Photo Sharing Platforms
- ▶ Blogging & Microblogging Platforms
- ▶ Fan & Critic Rating Platforms
- ▶ Wikis & Informational Sites
- ▶ Peer-to-Peer Protocols
- ▶ File-Sharing Platforms

### Industry-first: *DemandRank*™

*Parrot Analytics* captures cross-platform audience demand for content around the world. Audience demand reflects the desire, engagement and viewership, weighted by importance; so a stream/download is a higher expression of demand than a passive impression or a comment.



### *Demand Expressions*®

Total audience demand being expressed for a title, within a market.

#### Characteristics of *Demand Expressions*®:

- ▶ They measure actual, expressed demand. *Parrot Analytics* does not use panel data.
- ▶ They encompass demand expressed by audiences from a multitude of sources, weighted by importance.
- ▶ There is no ceiling to how many *Demand Expressions*® a title can generate in a market.

# About the Author

## Parrot Analytics

Parrot Analytics is a data science company that empowers media companies, brands and agencies to understand global audience demand for television content. Wielding the world's largest audience behavior data sets, the company has developed the world's only global cross-platform, country-specific audience demand measurement system.

Parrot Analytics captures an unprecedented spectrum of actual audience behavior including video streaming consumption, social media, blogging platforms, file-sharing and peer-to-peer consumption spanning 249 countries. This enables media companies, for the very first time, to understand audience demand for content across all content distribution platforms in all markets around the world.

For more information visit [www.parrotanalytics.com](http://www.parrotanalytics.com)

Contact [insights@parrotanalytics.com](mailto:insights@parrotanalytics.com)

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MIPTV & MIPCOM respectively take place every April and October, in Cannes, France.

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