

DIGITAL DISRUPTION

THE FUTURE OF GLOBAL CONTENT DISTRIBUTION

Whether it's a new movie or the latest series, video content is big business. We shine a light on the state of the broadcast industry to understand how content professionals have transitioned their organisations away from the old informal networks and physical markets of yesteryear. This report takes a look at how digital solutions enabled the industry to keep audiences entertained with packed content schedules in a year like no other.



imagen +

TBI Television
Business
International

INTRODUCTION

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY



Richard Middleton, editor, Television Business International

Content distribution has evolved rapidly over the past year, as executives moved online to buy and sell shows. This survey explores the extent of this transformation and delves into how the future of the sales business will look in the years to come.

Where once streaming and broadcast executives would travel globally from market to market to find their latest acquisitions, they are now largely housebound and forced to do their deals from home. The traditional events cycle has been upended by the pandemic and, increasingly, business is being done within a virtual environment.

It would be remiss to put this transformation in behaviour down to Covid 19 alone, but as with so many areas of the global content industry, the pandemic has accelerated existing trends.

To explore this fundamental shift in the way the content business operates, TBI recently surveyed executives working in the global content business to gauge how these trends are developing and to explore what might happen next. Reflecting TBI's international audience, we received feedback from 153 respondents in more than 50 countries across the globe.

The results, outlined in this paper, highlight the adaptability of the content business as well as the huge potential for further growth in online distribution. Face-to-face meetings will return, of course, but it is clear that companies must now invest to meet the new demands of their international clients, wherever they may be.



Charlie Horrell, CEO, Imagen

Physical markets like MIP and LA Screenings can be described as days that start at 7am and do not end till past midnight. But it is more than that. It is the adrenaline rush of racing from meeting to meeting, the thrill of bumping into old friends, the awkward nod at vaguely familiar faces, the tediousness of sitting through barely watchable screeners, the genuine thrill at discovering content that blows your socks off, and the endless glasses of rosé while you compare notes with colleagues as the sun goes down. MIP and other markets were the lifeblood of the broadcast industry until the pandemic hit.

In its wake, Covid 19 accelerated the adoption of digital content distribution, evidenced by our survey results. Whilst procuring technology that ensures you can get deals done anywhere, anytime has been vital to business continuity, we're finding that industry professionals have genuine concerns. These often centre on technology's inability to facilitate ongoing relationships.

But the advantages conferred by investing in technology that is customisable, and in technology partners who put user experience at their core, are innumerable. The right tech partner offers a way for you to create custom experiences for your content, better engage your stakeholders and keep your content secure and protected. All of which will add value to a media company's bottom line and provide a true return on investment.

Whilst we all miss having events like MIP in our diary, the world has changed and with it, our way of doing business. There is no going back now. The way forward lies in how we use this digital disruption to forge even stronger relationships with a wider, more inclusive set of stakeholders.

DIGITAL DISTRIBUTION HABITS

Online distribution platforms had become an increasingly common way for some acquisition executives around the world to buy programming prior to the pandemic, but the industry remained largely dominated by a physical events calendar that saw both genre-focused and more general events attracting thousands of buyers and sellers each year. IP owners and distributors continued to invest heavily in physical stands at events, while the focus on doing deals online remained on the periphery.

Underlining this status quo, our survey found that more than one in ten had never used an online distribution platform to buy or sell programming, while 25% rarely used such services.

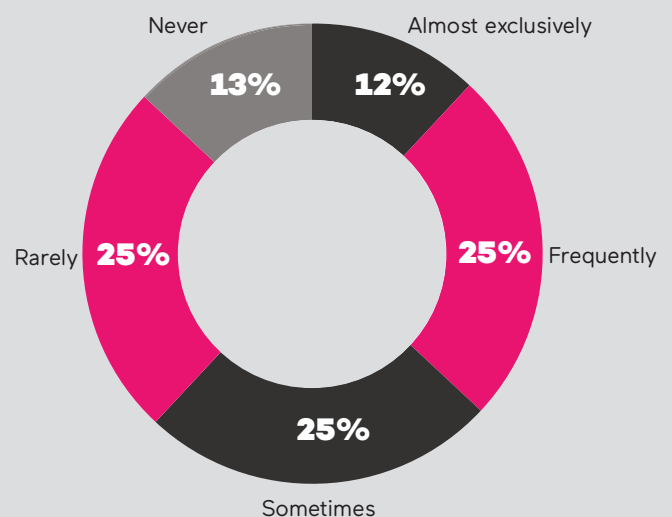
A further quarter of respondents said that they sometimes used digital distribution, highlighting how the industry had – on a global scale – remained attached to a diet of regular travel and face-to-face meetings.

However, the survey suggests that the landscape had started shifting prior to the introduction of global lockdowns as a result of the pandemic, with a quarter of respondents frequently using digital distribution platforms, and a further 12% confirming that they used such services on an almost exclusive basis.

It was just a slim 13% of respondents who said that they had never used an online platform prior to the pandemic, highlighting once again that this was a trend already underway before Covid 19.

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

CONTENT DISTRIBUTION HAS CHANGED RADICALLY IN 2020. HOW OFTEN DID YOU TYPICALLY USE ONLINE DISTRIBUTION PLATFORMS PRIOR TO THE PANDEMIC?



KEY TAKEAWAY

63%

**of respondents had not
used digital distribution
platforms frequently prior
to the pandemic**

DIGITAL DISTRIBUTION HABITS

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

What a difference a year makes. Most parts of the world have now been living with the pandemic and its myriad repercussions for around 12 months, and the impact of this on the distribution business is clear.

The survey's findings show a clear trend in the way executives are using digital distribution platforms, with more than 60% of respondents using such services either frequently or almost exclusively now. This figure has shot up by almost two thirds over the past 12 months, highlighting the fact that locked down acquisition and sales executives have embraced digital platforms as the physical events calendar fell away.

There is also a marked increase in the number of people using digital distribution platforms exclusively for their sales activity – from 12% prior to the pandemic to 25% now – while more than a third of respondents are now frequent users, up from 25%.

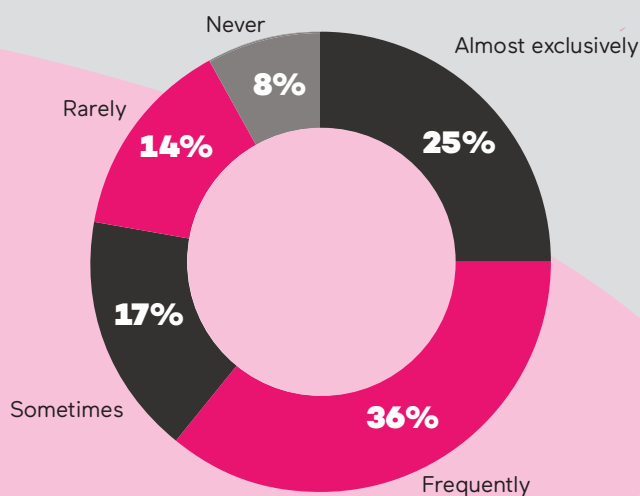
According to our research, digital distribution seems to have established itself among those who were already using such services, while also attracting those who previously had little online distribution interaction.

Indeed, only 8% of respondents said they had still never used a digital distribution platform, down from 12% previously, and only 31% of respondents said they only use services sometimes or rarely. This is down from 50% prior to the pandemic, underlining the shift in frequency of use and pointing to a growing embrace of such services.

65%

increase in respondents who now use digital distribution platforms frequently or almost exclusively, compared to before the pandemic

HOW OFTEN DO YOU TYPICALLY USE ONLINE DISTRIBUTION PLATFORMS NOW?



KEY TAKEAWAY Online distribution platforms have achieved gains in the frequency of use from executives, with digital sales becoming an established part of the industry

DIGITAL DISTRIBUTION HABITS

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

With the future of the physical events calendar continuing to be affected by the pandemic, it is perhaps not surprising that our research found overwhelmingly that digital distribution services will be here for the long term. As established above, these platforms have become entrenched for large swathes of the distribution business but there is clearly more growth expected.

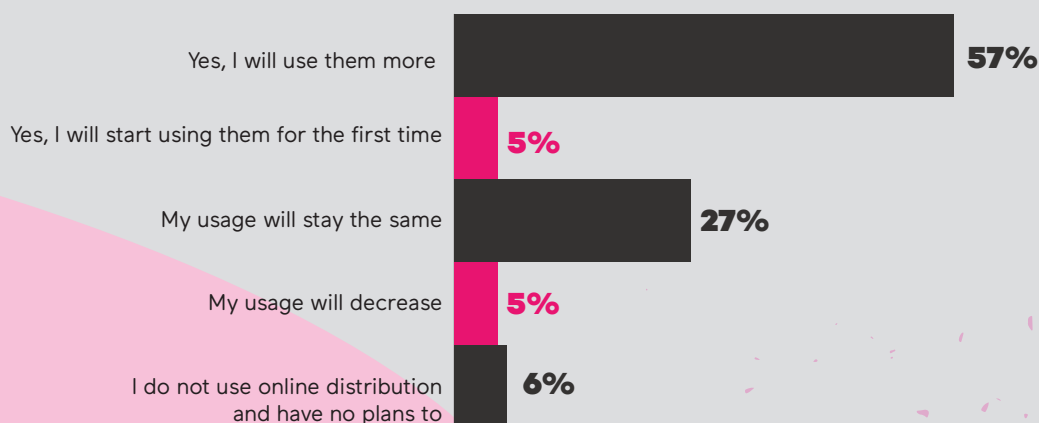
Our survey found that 57% of respondents expect to be using online sales platforms more in future and only 5% expect to be using them less, a clear indicator of the direction of travel for a still somewhat nascent part of the industry and further proof that locked down execs – some of whom may well have been forced into adopting such services before they might have otherwise – are embracing a new way of doing business.

With most industry execs already using digital distribution to some extent prior to the pandemic, it is perhaps a further indicator of the openness to online sales that 5% of respondents said they will start using the platforms for the first time in the future.

Also worth noting is that more than a quarter of the respondents believe their usage will stay the same in future, suggesting that a balanced ecosystem of physical events and online sales could emerge once the pandemic has subsided and execs feel comfortable in doing more deals in person once again.

KEY TAKEAWAY Digital distribution has been widely embraced across the industry but the sector has plenty more room for growth

WILL YOU BE RELYING ON ONLINE DISTRIBUTION PLATFORMS TO CONDUCT MORE BUSINESS IN THE FUTURE?



57%
of respondents plan to
use online distribution
platforms more in future

BENEFITS AND LIMITATIONS

Despite the benefits that digital distribution can offer, it appears that views are split among execs over how much of an impact making use of such services can have when it comes to actually making a deal.

Only 6% of respondents, believe that using them can slow down the process of deal completion.

Perhaps demonstrating that the services can work as a simple substitute for face-to-face meetings, however, was that the largest number of people - 40% - said that online distribution has had no effect on the speed of making a deal at all – neither faster nor slower.

The remaining 54% all believed that digital distribution platforms can help to speed up the time it takes to make deals; with that number breaking down to 17% that believe the services sped up deal completion by 25%, a further 17% believing they were sped up by 25-50% and the remaining 20% saying that deal completions were sped up by more than half the usual time.

While we all might miss the social aspect of gathering together in person at a live screening, an overwhelming majority of respondents – 85% – are sold on the idea of marketing new shows online, indicating a widespread acceptance of this new way of doing business.

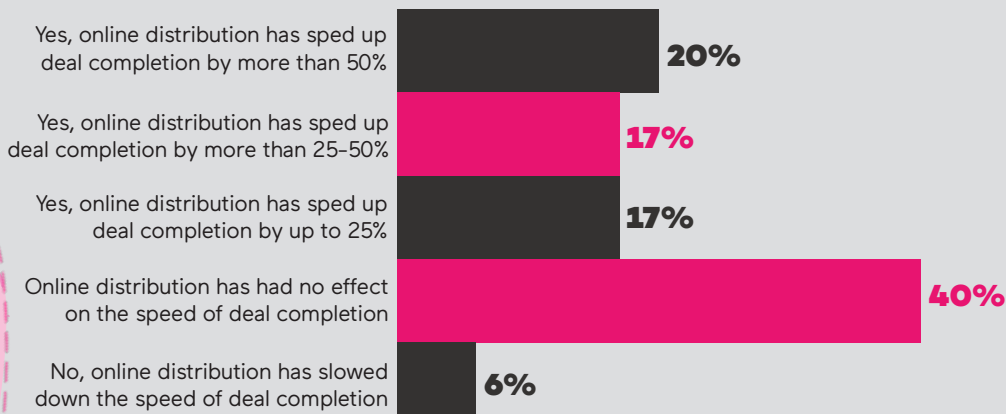
Some of the benefits mentioned by those respondents included the ability to reach a broader range of buyers and the way in which pivoting online helped to streamline the sales process – particularly for companies with an established reputation and client network.

Cost was also a factor, with many pointing out the benefits of being able to simply log on to a computer rather than having to book a plane or train and carve out extra time to make their way to a screening venue during a busy work schedule. Covid 19, as ever, was also cited as one obvious reason why it would be better to view a screening from the safety of one's own computer – as well as the ability to watch at any time of day.

Of those among the 15% who were less persuaded by the benefits of online screenings, some said that they were concerned about losing the personal touch and the opportunities that came with being able to meet and network face-to-face. Others suggested that being able to show a program online was useful, but felt that there was a risk that good content could be overlooked among a swathe of other offerings also being showcased online.

KEY TAKEAWAY Most respondents feel that digital platforms can help to speed up the acquisition process and very few think they slow it down, but there are also numerous other benefits of online services - such as holding screenings online, which allows for a far broader range of buyers to be reached and engaged

DO YOU THINK ONLINE DISTRIBUTION PLATFORMS HAVE SPED UP THE ACQUISITION PROCESS?



54%
said that online
distribution sped
up deal-making

MARKET DEVELOPMENTS

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

The physical events calendar for the content business had been growing over recent years, as the surge in demand for programming fuelled get-togethers around the world and allowed the sales process to occur largely face-to-face.

This situation had been evolving prior to the pandemic, as rights holders and buyers looked for more efficient ways to acquire programming while also cutting down on their often extensive travel schedules, and our research supports this trend.

Arguably, the most notable finding – following 12 months in which almost the entire physical events calendar has been suspended – is that only 15% of respondents believe major physical markets are more important than ever.

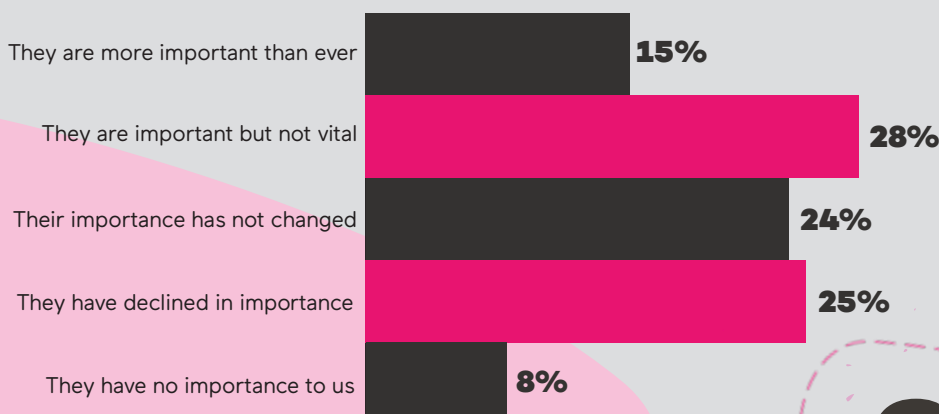
Clearly, large scale events will almost certainly remain a major focus for the sales and distribution business, with more than 60% of those asked saying that their importance had not changed, or that they were important but not vital.

Yet there is a notable tranche of execs for whom such major markets have declined in importance – a quarter of respondents believe this, while a further 8% of those asked said that the main sales events of the year had no importance to their businesses.

Only time will tell whether this decreased importance will have a knock-on effect on the amount of footfall making its way to physical events once the calendar returns to something approximating “normal”.

KEY TAKEAWAY Major markets remain a key element to the global distribution business, but the pandemic appears to have led to a re-appraisal of their importance in some quarters

HOW IMPORTANT ARE PHYSICAL MARKETS LIKE MIPCOM TO YOUR BUSINESS?



25%
of respondents believe
physical markets have
declined in importance

MARKET DEVELOPMENTS

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

While the physical event calendar has been almost completely curtailed by Covid 19, it has not stopped innovative organisers from developing and launching virtual versions of their markets and conferences. These have tended to incorporate two strands: a schedule of online panel sessions with industry executives and talent; plus a 'market', albeit in virtual form.

The delivery mechanism of these various markets has differed, but the aim has generally been to allow execs to meet face-to-face while also matching up buyers with potential projects from distributors.

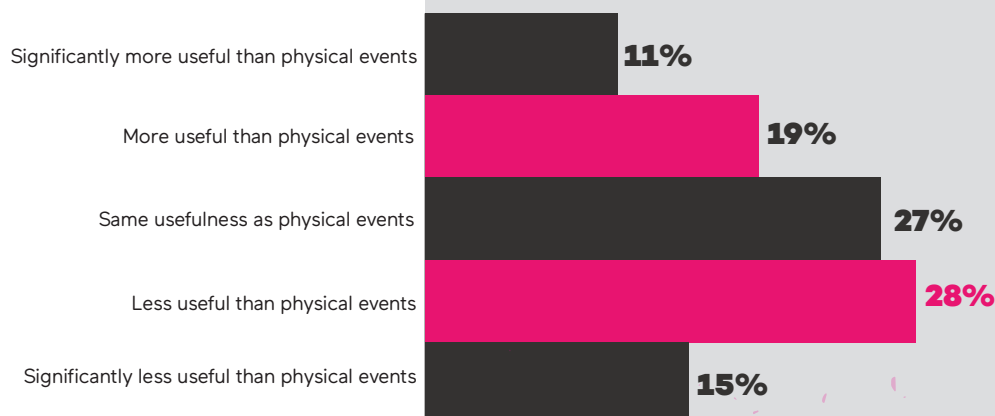
Our research suggests that the success of these online versions of traditionally physical events have varied in usefulness; 30% found them either more useful or significantly more useful than their previous incarnations, while a further 27% said that they were as useful to execs as if they had attended in person.

However, while online distribution has soared in popularity since the pandemic hit, as discussed above, there remains a significant portion of our respondents who have not found virtual versions of events as profitable. Almost 30% said online versions of physical events were less useful, while a further 15% said they were significantly less useful.

It is clear that physical markets will continue to play a significant role for many, but their virtual offshoots are yet to convince the industry as a whole.

KEY TAKEAWAY Physical markets and face-to-face meetings remain an important aspect of the business, which looks likely to drive their attendance once the pandemic passes

HOW USEFUL HAVE ONLINE PLATFORMS OF TRADITIONALLY PHYSICAL EVENTS BEEN FOR YOUR COMPANY IN 2020?



30%
of respondents said
online versions of physical
events were more or
significantly more useful

MARKET DEVELOPMENTS

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

As an industry, we by-and-large love meeting, greeting, gossiping and networking at physical events, aside from all the many business opportunities that take place there. Putting those on hold in 2020 was undoubtedly one of the toughest parts of the past 12 months with lockdowns in place and international travel mostly curtailed.

So it's almost surprising to see so many respondents picking out areas in which they feel digital platforms can do just as well – or even better – than physical events.

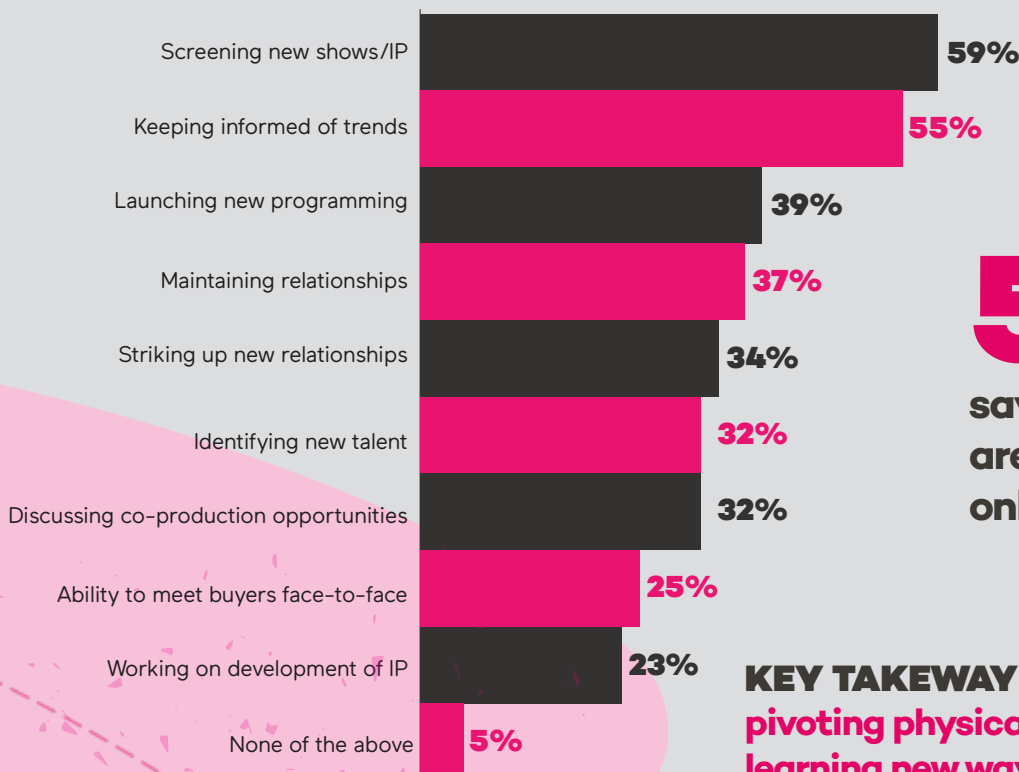
Right at the top was the screening of new shows and IP, with 59% seeing the move online as a natural fit for taking a first look at fresh productions.

Despite most people's innate love of face-to-face meetings, 55% also believed that digital platforms posed a useful way of keeping on top of the latest industry trends.

From there, however, opinions lay in the opposite direction, with just 37% of respondents believing these services could help to maintain good working relationships and only 32% saw them as a good way of discussing co-production opportunities.

Our research found that a small fraction – 23% – thought digital distribution platforms can help when working on the development of IP, but these were clearly in the minority. However, it was a mere 5% of respondents who indicated that they believed that digital services had absolutely nothing to offer over physical ones.

WHICH OF THE AREAS BELOW DO YOU THINK DIGITAL DISTRIBUTION PLATFORMS CAN DELIVER AS WELL AS, OR BETTER THAN, PHYSICAL EVENTS?



59%
say show screenings
are just as good
online as they are live

KEY TAKEAWAY This past year pivoting physical events online and learning new ways of doing business has shown that some things can be achieved just as well – or even better – in the digital marketplace

FUTURE INVESTMENT

DIGITAL DISRUPTION: THE FUTURE OF GLOBAL DISTRIBUTION SURVEY

There were myriad responses from distributors to the pandemic when it hit in late 2019 and the first few months of 2020, with the result in many cases being investments of various sizes into new digital sales operations.

While some of the major European distributors, such as ITV Studios and BBC Studios, have built their own bespoke distribution and screening platforms, many within the industry have turned to existing or recently launched services as they look for online sales expertise. What is clear from our research is that this trend of investment is likely to continue apace into 2021.

Only 8% of respondents said they expected to spend less on digital distribution in the coming 12 months than they did in 2020.

Around 44% said they expected to invest the same amount as they had in 2020, while almost a quarter of respondents said they expected to spend up to 50% more on digital distribution services in 2021.

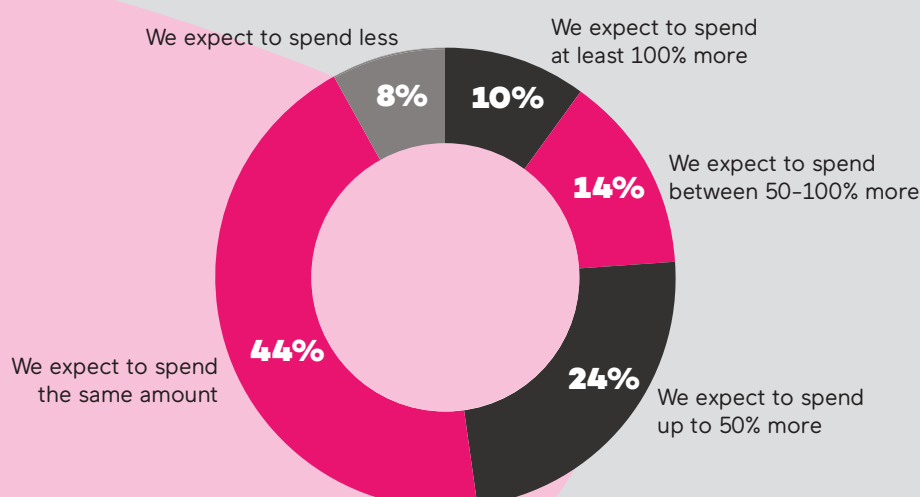
Underlining previous findings regarding the extent of additional growth expected for the digital distribution market, 14% of those asked expect to spend between 50-100% more in 2021, while an additional 10% expect they will double their spend in the coming months.

Taken as a whole, that is 92% of respondents who expect to spend the same or more on digital distribution in 2021, indicating the success distributors have found with online sales and further growth in this field seems all but assured.

92%

of respondents expect to spend the same or more on digital distribution in 2021 versus 2020

DO YOU EXPECT TO INCREASE YOUR INVESTMENT IN DIGITAL DISTRIBUTION IN 2021 COMPARED WITH 2020?



KEY TAKEAWAY Digital distribution platforms can expect further growth in 2021, with only 8% of respondents expecting to spend less – and 24% predicting their spend will be more than 50% in 2020

WHAT IS THE BIGGEST BARRIER TO ENTRY, IN YOUR OPINION, FOR COMPANIES LOOKING TO INVEST IN ONLINE DISTRIBUTION PLATFORMS AND OTHER DIGITAL TECHNOLOGIES?

While online distribution platforms have found undoubted success, particularly over the past year, there are still many companies hesitant to make the jump into the digital market.

The reasons for this reluctance are myriad, though some were more prevalent than others among our respondents. Perhaps already weary of months without the face-to-face contact of colleagues, many cited the lack of human connection when doing business. Other issues included being unable to get direct feedback or the inability to build up a good working relationship remotely – as well as the “risk” of doing deals without having met someone in person.

Other execs from the distribution side suggested that they preferred to sell their content in a more “controlled” environment, where they could more easily dictate the narrative around the presentation and launch of new content. The biggest turn-off was cost: either to set up the service or to pay for the bandwidth required to upload content.

Some discussed the emergence of virtual markets that were previously physical, explaining that they were wary of “prohibitively high” registration fees. Others described some virtual markets as an “investment with no guarantee of return”, whereas a physical event could provide intelligence around current trends or the chance to make useful connections.

For some, the real barrier to expanding into digital distribution – either by using transactional sales platforms or attending virtual markets – came down to organisation and deciding which titles would grab the most attention.

KEY TAKEAWAY Platforms are proving popular, though some companies miss the face-to-face human connection and are wary of investment costs

Direct feedback

Innovation, not reproduction

High registration fees

Digital literacy

Lack of competition

Face-to-face meetings

CONTROLLED ENVIRONMENT

FINANCIAL RISK

NO GUARANTEE OF RETURN

KEEPING IN TOUCH

Access to buyers' time

CONCLUSION

From Australia, Canada and China, to the UK, Korea and the US, there is one over-riding trend that has emerged from the more than 50 countries represented in TBI's Digital Disruption Survey 2021: the way that TV shows are bought and sold has changed for good over the past year.

This transformation is all the more noteworthy because of its speed. Executives were forced to adapt quickly during 2020 to ensure their product continued to connect with buyers globally and the findings from this survey demonstrate that nimbleness in abundance.

Prior to the pandemic, the number of respondents who used digital distribution platforms frequently or almost exclusively stood at just over a third. That figure now stands at 61%, but it is perhaps the direction of travel that is arguably of even more significance to the international content sales industry.

Across the survey, our research suggested that rather than 2020 being a blip, the shift to digital distribution is here to stay – and grow. Almost 60% of those surveyed said they expect to rely on online distribution platforms to conduct more business in the future and more than nine out of ten respondents expect to spend the same or more on digital distribution platforms in the coming year compared with 2020.

Physical events will, of course, remain a key cog for networking and a method by which sales relationships can be kept well-oiled, but our findings point to a more nuanced future. More than half of respondents believe digital platforms have sped up deal completion, while activity away from straight transactions was also enlightening – almost 60% said virtual screenings of new shows or IP could be delivered as well as, or better than, screenings at physical events, for example.

While our findings suggest the content business has widely embraced digital distribution, barriers to entry do remain: these can include predictable factors such as cost and the desire to have face-to-face contact when negotiating and building relationships.

Such concerns are to be expected, of course. The altered mindset from sales and acquisition executives around the world, however – as we have found in our research – suggests the industry is already convinced that a more virtual way of doing business on a global scale is something that they want to invest in.

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Meeting face-to-face and travelling to events has been part of the broadcast industry's DNA for many years. Despite technology solutions facilitating virtual gatherings, online networks and digital content sharing, the lack of live events has brought to light the intangible benefits of these in-person connections, along with the indefatigable appetite to connect in real life.

The critical component of any digital solution is its simplicity of use. An intuitive easy user experience means you should not be aware of it, instead it should allow your content to take centre stage.

Charlie Horrell, CEO, Imagen

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TBI is all about the business of television, all over the world; from the talent that creates the content, to those who finance, acquire and broadcast it.

TBI provides the TV community with easily accessible and reliable business information, informed insight to the latest programming trends and developments, as well as the day's breaking news stories via the TBI Daily email alerts.

Our online opportunities for distributors to showcase their content to our readers include our TBI Talks webinar series, Fireside chat video promotions, Show of the Week packages, and high impact banner campaigns on our TBIvision.com website.



Imagen's solutions enable businesses to unlock the value in their ever-growing media libraries – enabling fast, secure and controlled cloud-based access to video media.

Imagen Pro is a powerful, highly customisable video management platform that enables sports, media and entertainment organisations to intelligently manage, activate and monetise their digital media.

The Imagen platform is the ultimate point of discovery, sale and delivery for content owners, helping businesses to extract the greatest commercial value from their content.

Imagen's customers include Endemol Shine UK, Press Association, Storyful, BBC Media Action, Channel 4, LADBible and Reuters.

LONDON

16 Kirby St, Second Floor London, EC1N 8TS
hello@imagen.io
+44 (0)1954 262000

CAMBRIDGE

1 Grange Court, Covent Garden, Willingham, CB24 5AH
hello@imagen.io
+44 (0)1954 262000

NEW YORK

106 West 32nd Street, 2nd Floor Office #135, New York, NY
helloUS@imagen.io
+1 (857) 574 9847