

## **Cartoon Digital**

### ***ANIMATION IN THE NEW DIGITAL CULTURE***

**Malaga (Spain), 3, 4 & 5 May 2011**

More than 80 people attended this Master, co-financed by the MEDIA Programme of the European Union and the Junta de Andalusia.

#### **Day 1**

Cartoon Digital started with a survey on the New TV Market, by IDATE senior consultant for innovative video services **Sophie Girieud**. Sophie recalled that video consumption in Western countries is exploding: more than 8 out of 10 Internet users watch online video every month. As an example, in Germany 7.8 billion videos were viewed in October 2010, whereas in France or UK viewers saw 5.5 and 6 billion videos respectively in the same month. The 15-34 age group is the heaviest online video consumer. Individual online video consumption has been soaring for the last years. Only in the US the monthly online video streams increased by 368% between November 2007 and November 2010. Not surprisingly, YouTube is the top video property with both the highest number of viewers and the largest volume of videos viewed (41% of the market). While the YouTube phenomenon is booming, other video services are increasing. Hulu, for example, implemented a successful premium offer: almost a million viewers subscribed to Hulu Plus who is expected to reach \$500 million in total revenues in 2011. The VoD market is also developing very fast. In France the market grew by almost 40% in 2010 reaching 136M€ of value. Sophie also explained that Mobile TV is still an emerging market (estimated at 12.1M€ in the main 5 European territories). Viewers use mobile TV more as a means of “killing time” rather than as a form of entertainment in its own right. The situation is progressively evolving thanks to the success of the smartphones. VoD and video consumption is expected to increase dramatically with connected TV, a TV set which is connected either directly or indirectly to the Internet. Connected TV offers new opportunities for producers: a direct-to-consumer distribution through branded VoD offers. For producers it will be crucial to keep control over content rights to be able to follow revenues over many successive but distinct windows (linear TV, catch-up TV, VoD, preview, S-VoD...) and many devices (often with separate rights for a same content).

In the second speech of the day, **Patricia Hidalgo** and **Julie Adair** of The Walt Disney Company, explained the online strategy of the group. The session reviewed the company's latest development and took a look at what the future holds from a viewer's perspective regarding linear and non linear TV. The strategy is based on a deep analysis of consumers' behaviour. Pre-school kids (between 2 and 7 years old) are already online. Only in the UK 47% of preschoolers have been online in 2010, whereas in Spain they were 36% and in France 30%. What kids like the most online is playing games, print out activities to draw and watch TV clips of their favourite shows. The first activity girls between 6 and 14 years old are doing online is homework and research for schools, immediately followed by gaming and surfing Internet for fun. Boys of the same age like the most playing games online. Girls between 6 and 14 years old spontaneous favourite websites are Facebook, Pinguin Club and YouTube, whereas boys prefer YouTube and generic games sites. Based on this analysis, The Walt Disney Group developed a strategy

based on strong games engagement, personalisation of content and multi-tasking activities.

Finally, **María Ferreras**, Head of Partnership at Google / YouTube, detailed the professional partnership models that independent producers may establish with YouTube. Professional video producers interested in partnering with YouTube in its Sponsored Videos programmes can do it very easily through a simple online form. YouTube splits ad revenue with content creators. María focussed her speech on the importance for YouTube to fight against illegal content. An automatic system allows recognition of videos. The software is similar to existing audio content-recognition programmes in that it analyses content to create a fingerprint. Then it compares that information to fingerprints in a database to determine if there is a match. In this way, non authorised videos are automatically deleted from YouTube.

## Day 2

In the first speech of the second day, **Jenny Inchbald**, Transmedia producer, Future Artists, explained the importance of social networks and digital platforms for animation. As a matter of fact, Facebook is the biggest single influencer on customer purchase decisions – as recommended by friends. When talking about social media, Jenny explained that the Internet is at the same time global and local. Producers need then to think globally and locally. “Most of your friends that you talk to on social media will be local to you”, she declared. “But the big money is in global success”, she concluded. This being said, the same old rule applies for cross media products: great scripts, audience awareness, packaging and financing plan. When developing cross media works, producers must take care to use the traditional assets they have to create leverage in new markets and platforms. Digital Platform is a space in which forms of digital communication can converge: social networks, VoD platforms, smartphones, online games, retail sites, video streaming... a good way to develop a cross-media product is to search around key assets and themes by identifying key words and using searches. The following step is to use these key worlds on Google insights and see what kind of people are into it.

Televisions are fully engaged in the evolution of their editorial content. **Yago Fandiño**, Deputy Director of Children’s Interactive Content at RTVE, presented a concrete case study on how RTVE develops its digital strategy. RTVE has developed the most visited portal for youth audiovisual content in Spain. The rtve.es web site has over 1.3 million visitors a month. Kids from 0 to 14 years old represent 70% of the total viewers. The portal presents more than 100 series (of which 20 are in English), some 1500 episodes, 70 games and more than 200 colouring pictures. The site is updated daily and has free access. The ambition of the RTVE is to develop specific applications for smartphones and tablets and to implement new services within the connected televisions. RTVE is implementing a strong cross media strategy, developing series where the users could “live” into them. As Yago concluded, RTVE challenge “is to be at 5 meters of each child”.

Televisions are not the only organisations to transform their policies. Also public institutions need to adapt their funding mechanisms. **Victoria Fernández**, Head of Programmes at the Junta de Andalusia, presented the policies of the Andalusian Regional Council towards new contents. Victoria pointed out that traditional film funds were not focussed in animation but rather in films conceived for theatrical distribution. In the digital age, Film Funds must adapt their strategy and finance new formats and

cross-media stories. The Junta de Andalusia is going towards this direction, proposing a new Film Fund that will finance content for mobile, video-games, application for social networks, cross-media series, pilots, digital marketing and distribution and R&D from development stage.

In the fourth speech of the day, **Bruno Bucher**, from the University of Applied Sciences in Berne, talked about kids' cross-media planning. One important element that producers must take into consideration is that everybody can learn from Internet. The result is that the creativity is becoming borderless. To exploit this enormous creativity potential, producers must give the community a chance to be part of their show. It is extremely important, when developing a cross-media product, to let consumers tell their own stories with the show' characters. From this basic idea, producers and content developers can fix the audience, guide their actions and finally earn money.

Cartoon Digital has also been the occasion to present new innovative production pipelines, exploiting the potential of networks and new technologies. **Leor Goldberg**, producer at Aniboom, presented the virtual animation studio. With a database of more than 10,000 animators around the world, Aniboom explained how the studio can deliver every type of animation to major brands and entertainment companies worldwide.

Developing a cross-media brand can take many years, as **Ida Brinck-Lund**, CEO and founder of the cross media company Art of Crime, explained in her presentation. The studio developed over a period of ten years "Crimeville", a multiplatform, interactive online MMO specialised in crime riddles for tweens. The game is a great success in Denmark, but it was conceived as a classical TV series at the very early stage of conception. Only after many developing stages and market analysis, Art of Crime decided to produce an online game, using a range of interactive animations and mobile applications.

**Benjamin Feld**, executive producer Games and Interactive at Studio100 Media, explained how Studio100 is producing interactive content in an age of convergence. Benjamin remembered there are basically three main forms of convergence: technological, content and economic convergence. The consequences of convergence are that fragmentation and the level of interaction grow. Trans-media storytelling and cross-media productions are the inevitable results. Benjamin presented some figures of the evolution of the gaming market. In December 2010, for example, 82 million people had a Wii console, 50 million people possess one Xbox360, 143 million the Nintendo DS. In the first quarter of 2011, 109 million units of Iphones were sold and 45 million of iPod Touch in the 4<sup>th</sup> quarter of 2010. This analysis pushed Studio100 to place gaming and cross-platform at the centre of their strategy.

New products need new financing models. **Genevieve Dexter**, founder of Serious Lunch, explained current legal and business models in the IP exploitation of interactive programmes. It is important that producers sell the concept to investors with a clear pricing structure for their services. Most importantly, producers must think on how to deliver items to the audience.

### Day 3

In the first speech of the third day, and in line with the RTVE presentation on the new broadcasters' policies, **Céline Limorato**, Deputy Director of Children and Youth Programmes at France Télévisions, presented the global media strategy of the French group. France Télévisions is the European number 1 partner in production of children's programmes, with 27 million Euros invested in 2010 in the production of animation. The group is the number one terrestrial broadcaster of animated programmes in Europe, with 3,400 hours of youth programmes broadcast. Every week, children's programmes attract some 13 million viewers (4 years old and over). France Télévisions launched a new cross-media strategy with Ludo.com, a global media brand, encompassing comedies, edutainment, cross media series and platforms, short formats, news formats (magazines, documentaries and hybrid formats), specials and collections, games and VoD.

After this session dedicated to the evolving model of traditional linear television, **Nicolás Amado**, Regional Sales Director for Brightcove, presented the way professional online video publishing can bring in advertisement revenues. Brightcove helps producers grow and monetise their audience without the cost and complexity of in-house development. Ad-supported businesses take advantage of the comprehensive suite of video advertising features with intuitive tools for ad-insertions and built-in ad server and network integrations.

**Eudald Domènech**, CEO of InOut TV, presented his view on how Internet-connected TV through set-top boxes, video consoles, and other devices will bring a new vision of television and a very large display of new programmes, more on-demand and time shifted consumption. Game consoles and built-in Internet-TV applications will drive Internet connectivity. Internet-connected TV can bring enormous opportunities for producers, but there is the need to customise the offer. For average consumers, the thought of hooking up the Internet to their television set sounds confusing. Many wonder what they will have to do to make a smart TV work with their existing home theatre setup. People understand a cable box and an AV receiver. Adding the Internet into that equation is off-putting for many people.

After the session dedicated to Internet-connected TV, **Manuel López-Quesada**, Chief Communication Officer of ZED TV, explained the way his company has been monetizing content on mobiles. Manuel recalled Apple's leadership in the USA and in several European countries. Apple led to the introduction of innovative business models that are dramatically changing all patterns at business area, reinforcing e-commerce as well advertising. In terms of consumer choice, people behaviour suggest that online content of any kind will have to be considerably better than what is currently free before they pay for it. Sixty seven per cent of content consumed on mobile phones is audiovisual (TV and radio). Producers and developers cannot avoid this new trend. Even traditional TV Channels are developing content for different platforms to cover consumer needs, as people prefer to choose themselves what to see and when.

Even if cross-media is a new market, some rules are necessary to develop good transmedia stories. **Jesse Cleverly**, CEO of Connective Media, explained how to design the structure and content of a transmedia product. Internet is increasingly able to replicate the real world experience of people and space. As such there is an inevitable shift from information towards experiences which replicate our real life experiences. Digital media is moving away from supporting other content, or merely replicating it, towards the creation of new content in pursuit of brand extension. The results are experiences which have the power of life itself. Transmedia brands allow producers and

consumers to delve deeper into the universe of a story. This requires a “world first” development strategy: entire narrative universes are used to feed a transmedia implementation. This allows different entry points for different consumers at different moments.

Marathon Media, a French leading children TV and film production company, used a variety of online tools and strategies for promoting their IP in order to reach core audiences and create brand awareness. **Antonie Verdier**, Online Marketing Director of the company, explained the evolution of Marathon’s strategy with concrete examples. Launched in September 2010 by Ouat Entertainment, based on Marathon Media’s “Totally Spies! Universe”, the social-RPG (role playing game) now gathers more than 600,000 monthly active users and more than 80,000 daily active users. Among them are players of all ages and an ever-growing international audience (the game is currently available in English and in French).

Finally, **Patrick Crowe**, Director of Xenophile Media, presented the Canadian Media Fund, which largely supports the creation of digital programmes. This \$350-million fund was designed to support projects that bring television programmes to the Internet. The Fund is divided into two areas—including its convergent stream, which has helped bring shows like CBC’s “Being Erica” and the CTV comedy “Dan For Mayor” online. The second part is the experimental stream, which is research-and-development oriented. It funds the creation of application software that distributes content. Patrick presented the TV series and online reality web game *Total Drama Island – Totally Interactive!* Developed to engage tween viewers *Total Drama Island – Totally Interactive!* is an immersive and dynamic online environment that lets viewers play along with the show and compete in fun summer camp challenges each week. During each episode of *Total Drama Island* viewers were prompted to join their favourite characters at Camp Wawanakwa by going to <http://tdi.teletoon.com> on their computers. Players were able to customize their own avatars, hang out with characters from the show and play a new game each week based on the challenges that appeared in that week's episode on TV. By playing all 26 games, players were able to earn in-game currency called "marshmallows" and trade them in the Tuck Shop for desktop backgrounds or hip accessories like hats and glasses for their avatars.