

Television programming execs in Vegas

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The old saying, "Whatever happens in Vegas, stays in Vegas," doesn't apply to this week's National Association of Television Programming Executives meeting at the Mandalay Bay Convention Center -- Jan. 24-26 -- with a special day devoted to mobile content on Monday. NATPE is where television program buyers and sellers meet and greet to strike programming deals. Most of next fall's U.S. television programming will be purchased or launched here. But this year's NATPE is going to be different than in the past; this year's show will be about the future of television.

Chris Smythe, vice president of the Internet video company TotalVid (totalvid.com) said, "I think you will find a lot more interest and discussion going on this year about new digital distribution options for content." He added, "The video iPod and the excitement coming out of CES concerning new devices and services for getting content directly to the consumer has really started to get the attention of producers and rights holders."

This year's NATPE program features an entire day's worth of sessions devoted to discussing the future of television -- everything from the new trend networks creating broadband content for shows like "Lost" and "24," the idea of the "TV Anywhere" future, to how to create multi-platform content, and more. Thanks to the success of the iPod Video everyone is scrambling to find more and more distribution platforms for their programming. Napster Mobile will be a special one-day conference devoted to mobile content.

According to Dan Flanagan, CEO of Soapbox Mobile, a provider of full-service mobile marketing solutions, "We expect to see a great deal of talk about the emergence of the mobile device as a real opportunity for the networks, given their increasing sophistication and ubiquity." He continued, "In 2005, we witnessed a large number of content deals being struck between the broadcast networks and the carriers. 2006 is likely to be the execution of those content deals, so we will also expect to see discussions around how the carriers will leverage the new content that they have and what they are doing to deliver upon the expectation."

The problem with all of this new excitement around mobile content is that there still doesn't seem to be a viable financial model for it.

"Producers are looking for new ways to gain access and deliver content vs. the old way to deliver entertainment. More advertising and sponsorships will start to drive interactivity for digital media and content delivery," said Greg Demetriades, CEO of WhiteBlox, a company that has a comprehensive production and delivery suite that allows companies to become their own IPTV "broadcasters."

There will be a lot of conversation regarding financial models and plans. According to Flanagan, in North America revenue share as a means for both the carrier and the content owner still rules as the No. 1 business model for shared risk and shared reward. He said, "We will not be surprised to start seeing flat fees being paid by the carriers for premium content as the industry matures and confidence increases that a flat fee is a better way to go as it will provide a higher upside to the carrier and a guarantee to the content owner."

The evil little word "convergence" is back and in a big way. PricewaterhouseCoopers will release a report during the show called "The Rise of Lifestyle Media: Achieving Success in the Digital Convergence Era" and host two industry panel sessions focusing on convergence. The report underscores the challenges and opportunities

that convergence brings to the video content, distribution and advertising industries in the United States.

Some of the key findings:

-- Convergence is making consumers more sophisticated; they are expanding beyond mass media and moving more towards niche and lifestyle media.

-- Ubiquitous connections and lower barriers for content creation break down media control over programming. But media organizations will be able to provide really sophisticated tracking systems to add value for advertisers.

This comprehensive report is being touted as being a major breakthrough on the subject of convergence.

Smythe feels that TotalVid's profit sharing model will work. "The Internet represents a way for producers to leverage an existing asset (a movie or program that they have already created) and generate a new, incremental revenue stream from it -- either through ad-supported free distribution or through paid downloads or streams.

"It also represents a way for producers who have previously been at the mercy of the large gatekeepers to get their content directly to the consumer without having a linear channel on a cable lineup. For producers whose revenue stream is solely VHS and, more recently, DVD sales, the Internet allows them to reach a larger audience through digital distribution and create a "rental" model without needing to get shelf space at Blockbuster," Smythe concluded.

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