

# Canadian Media Production Association

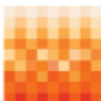
Towards a Framework for Digital Rights



**Ontario**

Ontario Media Development  
Corporation

Société de développement  
de l'industrie des médias  
de l'Ontario

CMF  FMC



**NFB**  **NATIONAL FILM BOARD  
OF CANADA  
OFFICE NATIONAL DU FILM  
DU CANADA**



**APFA / AAPF**

Association of Provincial Film Funding Agencies  
L'Association des Agences Provinciales de Financement du Film

## Market Observations

- Current market for digital content may not reflect its inherent or future value
- Compatibility, portability and permanence remain obstacles to consumer adoption of the digital experience
- Piracy is a primary impediment to the development of a financial model for video online – as is the perception of ‘free’ video online
- Marketplace for digital rights remains in flux - higher levels of certainty in the VOD and EST markets as well as on all platforms of exploitation for older library titles
- Highest degree of uncertainty in current or newly release television titles

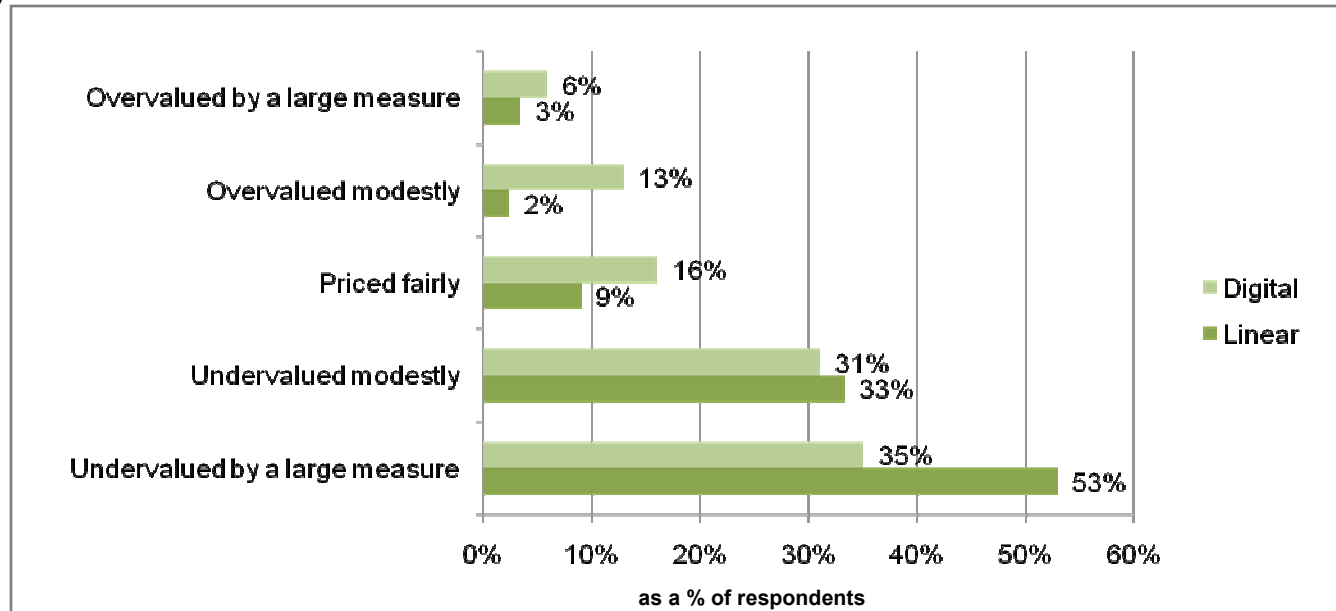


## Producer Survey Findings

- Digital rights should be treated separately from the traditional broadcast right - not an automatic 'add on'
- Where broadcasters do not exploit digital rights, producers should have the opportunity to do so
- Streaming or 'catch-up' viewing is a very different right than the sale of individual shows for rent or download
- Broadcasters who take VOD and download rights are encroaching on DVD/home video territory
- Industry needs to establish benchmark values for these rights as well as a model for sharing revenues between stakeholders
- Rights associated with digital media products created for a linear program should be treated separately



## Canadian Producers' Perception of Value in the Digital Marketplace Today



Source: Survey of Canadian Producers. 90 responses.

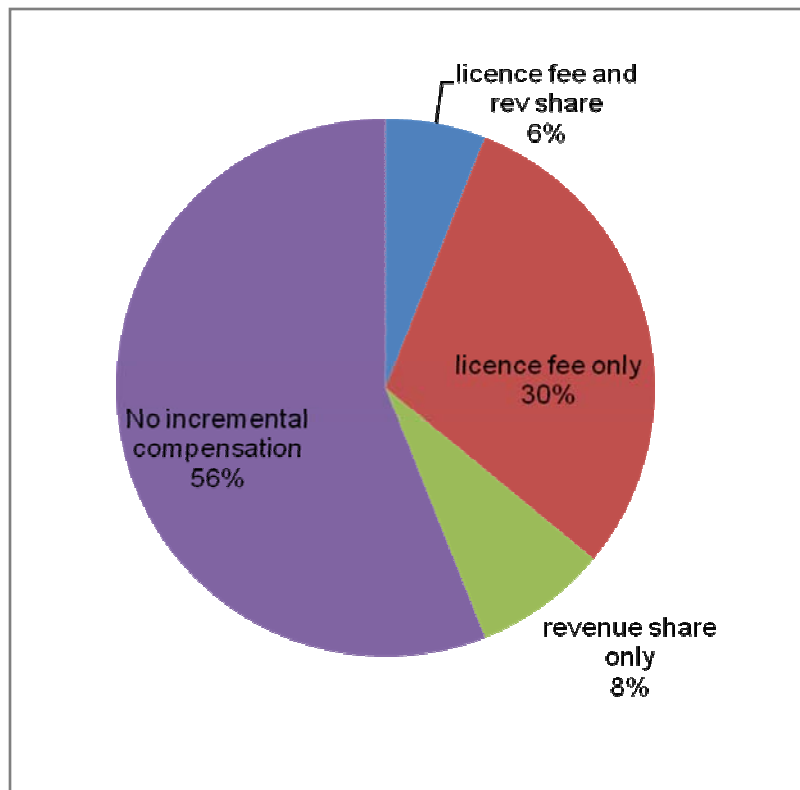
***“As factual TV producers our skill sets and content are particularly well-suited to digital content and social media in order to build audiences for our shows – what isn’t as obvious is how we’re going to pay for it.”***

*David Paperny, Paperny Films*

Full study available at <http://www.cftpa.ca>



## Compensation for Digital Rights for Most Recent Production



Source: Survey of Canadian Producers. 88 responses.



## Amounts Paid by Broadcasters for Digital Rights, Per Episode

Low	Average	High
\$40/episode	\$540/episode	\$4600/episode

Source: Survey of Canadian Producers. 29 responses.

***“No one knows what the value may or may be of these rights in the future – and that is why the producer should have the power to carve up these rights. To improve the situation, we need to allow maximum flexibility, explore more hybrid distribution models, tolerate more non-exclusive arrangements and encourage more experimentation.”***

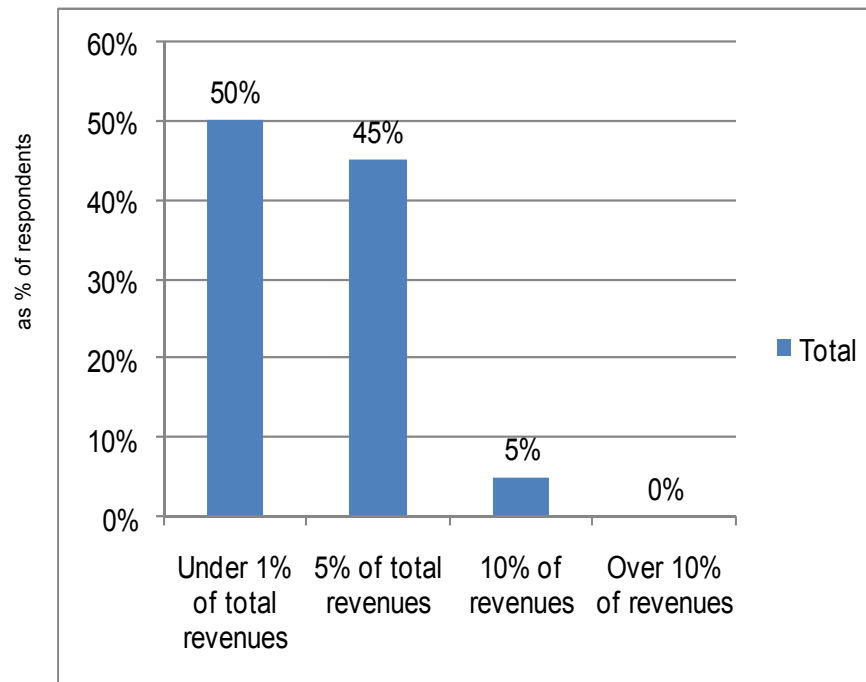
*Matthew Meschery, Independent Television Service - ITVS*



## Proportion of Total Revenue Generated by Digital Rights for Broadcasters/Digital Distributors

***“Right now there is a disconnect between the value of eyeballs on television versus the value of eyeballs on digital. And frankly, the broadcaster has a better chance to leverage value from the digital exploitation of content than an individual producer.”***

*Frances Berwick, Bravo Media*



Full study available at <http://www.cftpa.ca>



## Broadcaster/Digital Distributor Key Findings

***“Measurability is the key next step, and then monetization will fall into place.”***

*Joe Ferreira, CBS*

- Online retail side of the business (services like iTunes and Amazon) has found a business model - but ad-supported side of the business is not working as efficiently (Hulu is highest performer in this category)
- Timing is an issue: technology is ahead of the business and advertising dollars have been slow to follow the consumer online
- Another major obstacle is the ‘warehouse’ effect: overcoming the unlimited shelf space of video online will require improving ‘discoverability’ tactics, better promotion, better search functions for video, more sophisticated ways to achieve visibility, and making video platforms more user-friendly.
- Digital replacing traditional is a long way off: performance in digital is still determined to a great extent by performance and exposure in traditional theatrical and broadcast windows.

