



## Media Trends Analysis Prepared by Screen Actors Guild July 15, 2008

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The following is an analysis of trends that have emerged or intensified in the media landscape since the Directors Guild of America negotiated its deal with the Alliance of Motion Picture and Television Producers on January 17<sup>th</sup>, 2008. In sum, what was once termed “new media” has become a standard as media companies invest heavily in the massive convergence of media and technology, making anything available, anytime, and anywhere.

### **Investment**

Multinational media conglomerates have recently bet heavily on the emerging value proposition of content produced for and distributed on converged new media platforms. Advanced media consumption and participation continue to accelerate, illuminating the rewards for content creators and distributors in this space. Bold and strategic investments in areas such as new media content development, distribution infrastructure, and monetization solution development have accelerated.

### **Anything**

Developments in new media have grown the number of viable portals and platforms upon which media may be viewed. Media conglomerates have responded by accelerating the pace at which they make their primetime programming and library content available on new media platforms under a variety of monetization models. Studios have also sped up their development of product produced for initial distribution in new media.

### **Anytime**

Cheaper bandwidth, storage, and processing costs along with content made available due to emerging monetization capabilities have grown audience expectation of control and access to media across all media platforms. While this demand for product at all times has grown the monetization capabilities of emerging platforms, the value propositions for traditional distribution windows are narrowing. Media conglomerates have earnestly responded by maximizing traditional old media revenue platforms by releasing content on a Day and Date basis and by making content simultaneously available on new media platforms.

## Anywhere

Growing terrestrial and mobile bandwidth penetration rates are making high-speed connection to content easier than ever and enabling personal choice where media is consumed. These expanding and multiplying video portals are being exploited by media conglomerates as they increasingly make their product available for streaming, downloading, and ripping.

## Developments

- February 4, 2008—Cablevision offers Universal and Warner Bros. movies on demand the same day they debut on DVD, as long as viewers purchase the movies on disc.
- February 20-21, 2008—CBS and NBC begin streaming classic shows from their libraries online in their entirety.
- February 25, 2008—ABC and Cox Communications begin work on a video on demand (VOD) system that disables fast-forwarding of commercials.
- March 11, 2008—Apple and Lionsgate agree to allow iTunes users to make digital copies of selected movies to watch on computer, iPod, iPhone or Apple TV.
- March 12, 2008—Fox and NBC launch Hulu.com, a website that allows users to watch movies and TV shows for free with "limited commercial interruptions."
- April 2, 2008—NBC announces it will produce short, original episodes of *The Office*, *Chuck* and *Heroes* specifically for the Web, beginning in Summer 2008, along with an original online-only show called *Fears, Secrets & Desires*.
- April 13, 2008—Yahoo expands its online video presence and ties to big media and entertainment by acquiring for \$160 million the online video platform Maven Networks, which has deals with CBS Sports, Sony BMG, News Corp.'s Fox News and other content providers to help manage, distribute and monetize their video platforms.
- April 16, 2008—Over ten billion online video views in the U.S. in February 2008, a 66 percent gain versus February 2007.
- April 17, 2008—Networks are acquiring the rights to new content to make the leap from Internet to television as NBC has signed up the series *Gemini Division*, and Channel Five has picked web drama *Sofia's Diary*.
- April 28, 2008—Warner Bros. TV Group says it is resurrecting its WB Network TV brand as an ad-supported video network that will offer a mix of new programming and old series aimed at women viewers.
- April 30, 2008—Sezmi opens up a new set-top box with one terabyte of storage, a broadband Internet connection, and an antenna.

- April 30, 2008—Time Warner says it will release all of its DVD titles on VOD on a day-and-date basis this year.
- May 1, 2008—Hulu launches a YouTube channel of its own, bringing NBC back to YouTube.
- May 1, 2008—iTunes goes “day and date” with DVDs with new releases and catalog titles available from 20th Century Fox, The Walt Disney Studios, Warner Bros., Paramount Pictures, Universal Studios Home Entertainment, Sony Pictures Entertainment, Lionsgate, Image Entertainment and First Look Studio.
- May 2, 2008—Disney-ABC Television Group begins research in collaboration with Nielsen Co. regarding inserting multiple commercials into ad breaks for primetime series on its broadband player.
- May 7, 2008—NBC streams free, full episodes of *The Office & 30 Rock* to iPhones in unprotected Quicktime format.
- March 13, 2008 – Bob Iger states at a New York media conference that he expects the Disney to pull in \$1 billion in digital revenue this year.
- May 15, 2008—CBS purchases CNET Networks making it one of the 10 most popular Internet companies in the United States, with a combined 54 million unique users per month, and approximately 200 million users worldwide.
- May 19, 2008—NetFlix Web-to-TV set-top box debuts with a price tag of \$99.
- May 28, 2008—Blockbuster Inc. announces its intended launch of in-store kiosks that will allow consumers to download movies onto portable devices in two minutes.
- June 1, 2008—CBS says it will unveil a new video player that has new ad targeting (using a content and advertising engine CBS picked up in its acquisition of Last.fm), content sharing and HD.
- June 2, 2008—A study suggests marketers should adopt VOD sales as VOD ads are more effective than broadcast ads. The reason is viewers are more likely to recall a spot seen in an on-demand context than they would an ad on linear TV.
- June 3, 2008—Sony PlayStation launches an original, unscripted monthly series.
- June 4, 2008—CBS will stream its shows online at Yahoo TV, running pre-roll advertisements.
- June 5, 2008—All BBC TV channels are being prepared to be made available online.
- June 10, 2008—Disney to stream movies online, offering them for free based on an ad-supported revenue model.
- June 10, 2008—HBO buys stake in *Funny or Die*, signing an additional development deal as well.
- June 10, 2008—NetFlix set-top boxes sell out in less than three weeks.

- June 11, 2008—GoTV Networks, which produces and syndicates original and partner programming via mobile and broadband technologies, enters into a strategic partnership with talent agency CESD to combine GoTV's production studio with CESD's talent roster.
- June 12, 2008—Warner Bros. Television Group announces that its content will be distributed through branded channels on Dailymotion, Joost, Sling Media, TiVo and Veoh Networks.
- June 16, 2008—*Weeds* delivers 2.5 million Apple downloads.
- June 18, 2008—YouTube experiments with full-length video, enabling YouTube to offer more ads per view and other ad opportunities.
- June 19, 2008—Fox airs *Rescue Me* five-minute minisodes on FX and the Web in order to rekindle audience interest in the show due to the hiatus during the WGA strike. The minisodes don't connect to the new season.
- June 23, 2008—British commercial broadcast giant ITV reports a surge in its Internet activities with a four-fold rise since its launch in video catch-up, which allows viewers to watch shows they've missed that week since its launch.
- June 24, 2008—ABC syndicates content to Veoh and moves its prime time to the Web.
- June 27, 2008—Sony to create new movie download service directly to TV that utilizes the Bravia Internet Link.
- June 30, 2008—Google tests new ad-based content monetization model with *Seth MacFarlane's Cavalcade of Cartoon Comedy* and uses its AdSense advertising system to syndicate the program to thousands of Web sites that are predetermined to be visited by the target audience.
- July 15, 2008—Netflix and Microsoft announce a deal that will allow Netflix subscribers to stream 10,000 movies and TV shows to Microsoft's Xbox consoles for viewing on television sets, beginning in Fall 2008. The deal doubles the number of movies and shows available on Xbox for download.