

The background is a vibrant blue with various digital and financial icons. At the top left, there's a power button icon, a smartphone, and a hand holding a card. A large yellow arrow curves from the top right towards the center. In the center, the text "Bell Fund" is written in white on a blue oval, with "Bell Broadcast and New Media Fund" below it. The words "Bell Fund" are also written in a large, semi-transparent font across the middle. At the bottom left, a smartphone is shown with a coin falling from it. The overall theme is digital media and finance.

Bell Fund
Bell Broadcast and New Media Fund

HOW TO MAKE
MONEY

WITH
MULTI-PLATFORM DIGITAL MEDIA

Everything you ever wanted to know about how to make money with multi-platform digital media.

The Bell Broadcast and New Media Fund advances the Canadian broadcasting system by encouraging and funding the creation of excellent Canadian digital media, promoting partnerships and sustainable businesses in the broadcast and new media sectors, engaging in research and sharing knowledge and enhancing the national and international profiles of industry stakeholders.

This Bell Fund Bliki is intended to seed the discussions about revenue generation for multi-platform digital content with advice from our wiki authors. We invite everyone to add their experiences and expertise so that we can create a comprehensive and up-to-date resource for new media producers to share, in order to maximize the revenue potentials for their projects.

Our thanks to our funding partners, Bell TV and Telefilm Canada.



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Introduction

By Andra Sheffer and Claire Dion

A **bliki**?! The Bell Broadcast and New Media Fund commissioned expert authors to seed a wiki to provide all the latest in revenue generation know-how for producers of multi-platform digital media. But then we wanted to be able to include everyone else's insights and experiences - through a blog, so we ended up with a bliki. You can post your comments, and we can edit and update the wiki articles. Hence, the Bell Fund bliki was created - a concept actually conceived in 2003 by wiki originator Ward Cunningham. Then we went even further and discovered that we were in fact creating a "blooki" - a combination of a blog, a wiki and a book, as we have also developed this with a pdf downloadable book structure as well.

Since 1997 Bell Fund has funded nearly 600 multi-platform projects that have both a television program and an associated interactive digital media project. An important element of the funding application evaluation process is the business plan. We have seen some very imaginative ones, some impressive wishful thinking, some revenue projections that were depressing, and some that were exciting. There were a lot of disparate experiences, a lot of pioneering, a lot of yearning for a meaningful business model, and some successes and accomplishments in the elusive search to make money. So, inspired by our mandate to share knowledge, the Bell Fund decided to undertake research to try to determine what really is viable at this point in time and to share the revenue generating experiences of multi-platform producers and broadcasters.

Content Strategist Rita Carbone Fleury took on the challenge of identifying the revenue sources, the players, the realities, and the steps to take if revenue generation is to even be a viable option. Our wiki articles are a result of her persistent research and enthusiasm combined with the very generous contributions of our expert-authors who agreed to share their knowledge and experiences with their colleagues in the digital media industry. Our sincere appreciation and thanks go to these authors who fit their wiki writing into their busy schedules, responded to our questions, elaborated and re-wrote. They have been incredibly unstinting in sharing what they have learned.

Our thanks also to our partners in this venture, Telefilm Canada. Through their Canada New Media Fund they too have funded many multi-platform projects and encouraged producers to develop business models and to think globally to reach their markets.

We all know that what is true today in this world of ever-changing digital media, will be different tomorrow, especially when it comes to discovering the ways to make money. So, that is where you, our readers, all come in. Our authors have only just begun the discussions and planted the seeds. Their experiences and their advice are their own. Now, we invite you to share too, to blog, to update and expand this revenue generation knowledge base and to contribute your wisdom and perspectives, so that we will all create an invaluable resource for multi-platform digital media content creators and distributors.

Andra Sheffer, Executive Director

Claire Dion, Associate Director

On behalf of the Board of Directors, Bell Broadcast and New Media Fund (May 2009)

A note from Telefilm Canada:

For a decade, Telefilm Canada has administered the Canada New Media Fund (CNMF) on behalf of the Department of Canadian Heritage. The CNMF has provided the initial investment for nearly 800 innovative interactive properties and events across Canada, making a significant contribution to the robust interactive industry in this country; one which employs 52,000 people and generates \$4.7 billion in revenue. The CNMF is a national program which supports the creation and distribution of interactive digital cultural content products.

<http://www.telefilm.gc.ca/accueil.asp?LANG=EN&>

Preface

What Multi-platform Content Creators Should Know

By Rita Carbone Fleury

One of the biggest frustrations and yet one of the most exciting things about trying to maximize the value of your interactive property today is the continually changing environment. By the time you talk to people, gather information and put an exploitation plan in to place, it needs to be revised or re-positioned or re-worked - and maybe all of the above!

When I first launched my career in the international television program sales market in 1991 (and note I say television - not content sales - back then it was JUST television!) the opportunities were clear.

There was a list of “likely suspect buyers” who might be interested in your programming. Each country usually had a public broadcaster (or two) a number of private commercial networks and maybe a cable network that had limited penetration and therefore limited funds to pay you.

The thing is - it pretty well stayed that way for a decade! Yes, cable started to build penetration and therefore the likely suspects grew in numbers slightly, but for the most part you knew what doors to knock on when you wanted to sell your programs; and potentially what the return would be.

Flash forward to today!

Along with the “traditional” television buyers, content producers and distributors have many “unlikely” digital suspects. Good news right? There might be hundreds of companies out there interested in licensing/acquiring your content and you are going to make tons of money right? This should be a heyday for business development types... Well not so fast!

The biggest opportunity is also the biggest challenge because by the time you try to put any of your new found opportunities and partners into play - they may be yesterday’s news, total failures or too successful to be interested in you or your content anymore. But don’t despair, the best advice I can offer at this writing is that, in this ever changing digital environment, you have to take it one day at a time and recognize that you may never be ahead of the game, so the next most important thing is to get in the game!

So with that in mind, I hope to jumpstart some of your efforts to “get in the game” by giving you my definitive (for now) list of Must Do’s for Digital Content Creators.

Treat your content (all of it!) like a Franchise.

Start thinking of your content as an asset with different components that have many monetary opportunities attached to them - remember you’ve got: the television component, the online/ interactive component, the mobile component, the educational component, the electronic sell- thru component, the consumer good component.

If you start thinking about your content like this from the get-go, it will be easier to plan for the exploitation of the content in multi-platforms. Your ability to monetize your content will be directly related to the way in which you plan and prepare for monetization. It seems like a no-brainer but often independent producers and broadcasters get so caught up in the production of the TV series that everything else comes after the fact. My best advice is to stop thinking that way and start planning for exploitation from day one.

Understand your Audience

Understand the Audience you are producing for and the different ways audiences are consuming your content in today’s marketplace. Audiences that you might be producing content for include:

- Audiences that comes back every night/week to watch your content on television. They don’t want to feel like they are being compelled to engage or interact.
- The next level of user may go online to get more of the story.
- A further tier watches the TV show, goes online, is part of the world, and gets involved in the next level of game play.

- Those who only get their content online.

Remember that in order to attract and keep these various types of audiences, broadcasters (who are still the primary buyers of multiplatform content) are currently interested in: casual games, multiplayer games, immersive virtual worlds, and social networks. All these encourage repeat long term visits and if multi-platform content is connected to the TV show and it is compelling enough, this will drive on air viewership.

Digitize your Linear Content

Television content still drives the success of much of the online content that has been produced so why not start giving this content the treatment it deserves? By this I mean, ensure your television content gets as much exposure as possible in as many digital platforms as allowable by your broadcast agreements. The advice here is create your digital content once but deploy it everywhere! Wanna know how to do that? Consider encoding your original production in a Mezzanine file. So why is making sure that your television content is available in many formats important for your online interactive content? Well, since you asked, in an ideal world accessibility and exposure will drive interested audiences to your online content because they will want to learn more about your content and support their “streaming” experience with a more immersive one!

Have a plan to DRIVE Traffic to your online content

Just because you build it doesn't mean they will come. Marketing is still paramount. Visitors have to find your content in order for anyone to be interested! This is important because eyeballs are what make the content compelling for monetization.

Invest resources (time and people) to build your content opportunities.

Unfortunately this piece of advice is going to hurt for cash-strapped independent producers because you really do need to spend money to make money. Having a plan means nothing if you can't execute it, so moving forward from here on in - make building your digital business a priority. That means budgeting for it and allotting the resources required to it. The truth is the return in the short-term is not there but you've got to be in the game if you want to win the game.

Share

This bliki is full of great advice from smart people who have gone out there and been pioneers in the online world. They have shared whole-heartedly their successes and failures. Although we have covered a lot of ground, we know there are other opportunities out there that we weren't able to explore. There is a lot still to be said about making money with your content through social networks, in the educational space and through other information institutions like museums. But that's where YOU, the reader come in! We encourage you to share your stories by contributing to our bliki so that we can all benefit from that knowledge. This is an open-source document and we hope that you will continue to make it so!

Design and Build Cross-Platform Content

By Jonas Diamond

Broadcasters are no longer seeking shows that work exclusively for broadcast but are looking for content that can be extended to multiple platforms. Whether you are producing your own original new media content or working on a fee-for-service basis, it is important for the TV and interactive producers involved to communicate their objectives and set benchmarks so everyone works as a team in achieving their goals.

Define a Sustainable Business Model for Cross-Platform Content

The first step in designing and building your cross-platform content for exploitation is attempting to define a sustainable business model by generating ongoing revenues in such forms as licensing, sponsorship, advertising, subscription and maintenance support. In order to develop a business model for your content, it is critical to define what you as producers are willing to accommodate in terms of potential advertising and other revenue-generating opportunities. The target demographic of your content may dictate aspects of your business model since, for instance, advertising and collecting personal information about kids presents different challenges than those for older ages.

It is also important to formulate your business model before negotiating the license with your participating broadcasters so you delineate what revenue streams are integral to the ongoing success of your cross-platform content and ensure you do not give them away unless you receive fair value in return. This will also help you map out the working relationship with your broadcasters such as who will be hosting, who will be selling advertising for the new media component, as well as who will be responsible for marketing, promotion and publicity. There are benefits to working with your broadcaster(s) in these areas with their established infrastructure and sales teams, but there are also drawbacks such as layers of management and approvals. It might be useful to manage the hosting of your content if you have several broadcasters from various territories involved and need to control delivery based on geography. Since having users register their information is valuable in connecting with your audience and providing opportunities for sponsors, it is essential to determine who controls this data.

While joining an ad network is one way of generating revenue, explore producing unique sponsorship opportunities for advertisers to deliver a customized experience to audiences such as contests and cross-promotions. For example, for the series *Odd Job Jack*, Molson Coors sponsored the TV show and animated TV bumpers (shown before the commercial breaks to drive viewers online), and “tagged” promo spots playing on The Comedy Network as well as sponsored the home page, games and contest section of the website. In the process of creating these campaigns, you should be researching potential sponsors including those that might be relevant and thematically-linked with your cross-platform content. You should also consider producing supplementary materials that are familiar to your sales targets such as “powerpoint decks”, interactive demos and sales sheets. Here is an example of a demo created for *Odd Job Jack*: <http://www.smileyguy.com/ForClients/interactive.mov>

Develop a Business Model

After you have outlined your business model, the content developers need to take into consideration from the outset the potential platforms and versions of your content. This means dealing with any text, sound and video that may need versioning for potential advertisers and international audiences. While it is important not to constrain the creative with unintended restrictions, it is also crucial to ensure you account for these elements in the planning stages (such as creating textless masters for international sales in TV).

Here is a checklist to consider in developing your new media content:

- ask the people that will be receiving your content what format they prefer to receive content in and match that
- document production standards in house in as detailed a manner as possible in order to ensure delivery of appropriate format
- test the system as early as possible with the goal of providing perfect content in the format of your downstream destination
- alter the output method solving any nonconformity issues
- iterate through tests until the output method provides perfectly formatted content to the downstream

- appreciate that you are the downstream consumer of content from an upstream source and pass as many of your downstream requirements upstream as they will accept

It is important to do all of this early because any nonconformity may shape production. By promoting evaluation and sign off of detailed planning by all partners at the beginning of a project you create a situation where all partner's interest is to achieve the highest success.

In addition, if you are producing various forms of content such as online games, animations and videos it would be advantageous to be able to "carve up" the content as modules and work with various distribution partners to reach a larger audience. There is also the possibility of charging production fees to the broadcaster, advertisers or their respective agencies for providing creative services related to any type of marketing campaign (such as creating ads, implementing changes and providing maintenance).

Deliver Cross-Platform Content

Unless you have an existing technical back-end in place to deliver your cross platform content, it is worthwhile to explore working with third party hosts that routinely deliver these services in a professional and cost-effective manner. However, there are still scenarios where there is inherent value in developing the technology behind delivering your cross-platform content provided you have the capabilities to execute.

For example, instead of manually updating content, you could provide a content management tool for customers for ongoing maintenance. Fees could be charged for the setup, content management tool and support. There is also the necessity to ensure you have built in the means to provide ongoing metrics and revenue reports to participating partners in an efficient manner.

Top Ten Points for Designing and Building Cross-Platform Content:

1. Define your business plan and potential revenue streams such as licensing, sponsorship, advertising, subscription, maintenance support and international distribution.
2. Determine what type of advertising and sponsorship you are willing to accommodate and what might be necessary to secure future partners.
3. Map out your working arrangement with participating broadcasters with respect to advertising sales, hosting, maintenance, user information, ancillary rights and marketing / promotion.
4. In addition to leveraging ad networks, create unique sponsorship opportunities such as contests and cross-promotions and focus on potential targets that are thematically-linked to your content.
5. Produce supplementary materials that are familiar to your sales targets such as "power point decks" (sorry!), interactive demos and sales sheets.
6. Develop your content with the potential for international distribution and licensing in mind with the possibility of modifying the language of text, sound and video, as well as ability to "carve up" your content for various partners and platforms.
7. Dedicate significant time to preparing a detailed production plan and engage all partners in the review and approval of planning.
8. Evaluate the best means of delivering your content and whether or not working with a third party service-provider is the optimal solution given you and your partner's capabilities.
9. Ensure you have built in the processes to provide ongoing metrics as well as financial reporting to participating partners in an efficient manner.
10. Explore whether there is any value in building administration tools for potential buyers to manage their localized version of the content.

Most importantly, be patient!

Identify and Prepare Content For Digital Media Distribution

By Anne Loi and Clem Hobbs

Content creators in the digital age have lots of balls to juggle. While in the past, the focus for producers has been to create compelling linear content that can move audiences and win ratings (among other things), in today's marketplace they have to do that and then some! In an environment where audiences are consuming content "whenever they want it" and "wherever they want it", content creators have to ensure that their content is available in the technical formats that best suit the growing number of distribution platforms. WAIT! Don't stop reading, we know what you're thinking, "we are CREATIVE people" not technical - we will leave that to the "techies"... WRONG.

As a producer whose goal is to ensure your content is distributed as widely as possible, you must ensure and plan for digital media distribution. Not as an afterthought, but as a front-and-centre priority. It's true that currently TV broadcasters are not all asking for digital distribution elements, mostly because they are doing the encoding themselves in order to meet their own requirements. However, some territories, Europe in particular, are starting to inquire about HD and other digital formats so it's just a matter of time before producers will have to provide all digital elements.

But don't worry - help is on the way. Keep reading for some insight into some of the things that you can do right now that will help you jumpstart your digital media distribution planning.

A Key Point to Ponder: Traffic Tracking and Analysis

One of the most important things you can do to ensure that your interactive content can be marketed and exploited like your linear content is to ensure you track and catalogue interactive online games/activities in the same way as you do your linear content. The best way to organize and manage interactive assets is to produce them in a modular fashion in the first place so they are all stand alone pieces. From a distribution point of view this is a more logical and flexible way to sell and most buyers don't want an entire website anymore. A proper database (very much like any linear content rights management database) should be set up to manage the distribution of these assets. It is interesting to note that in general, distribution companies will agree to make the licences of interactive content non-exclusive. This is an advantage for content producers as it allows for interactive content to cast a wider net and therefore provide more exposure (and more potential for sales) for the property. In addition, with a proper tracking system one could extract meaningful analysis on the effectiveness of each distribution platform.

Other things you can do to help you ensure better digital distribution opportunities include:

Consider encoding your original production in a Mezzanine file format.

This term refers to a very high quality master digital file from which all other delivery formats are derived.

The encoding process involves playing a production tape master from an industry standard VTR (Digital Betacam, HDCamSr, etc.) and feeding the signal to an encoder system. The encoder samples the input signal and creates a master digital file in a format chosen by the user such as MPG2. Some encoders can create multiple formats in one encoding pass.

Once the high quality mezzanine file is created, it is used as a transcoding source for the multitude of delivery formats that exist, such as WMV, Quicktime, H264, FLV, etc. The mezzanine file is also archived for long term storage to permit transcoding to new delivery formats as they emerge.

Sounds easy right? Okay like everything in the real world, there are challenges.

Invest in High Definition Masters and Encoding

In the last few years, some of the biggest challenges for producers as they prepare their assets for the marketplace have been:

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How much they could afford to invest in producing their content in High Definition (HD), determining file sizes and the correct format for online download or streaming purposes, and of course, the never-ending cost issue - i.e the overall costs of encoding.

Although the prices of HD editing and encoding equipment have come down significantly, these costs are still the sole responsibility of the producer, with no increases in revenue to offset them.

So, what's a producer to do? Here are some helpful hints:

For most production companies, who generally outsource their post activities, the key is to **negotiate upfront** with the post house to get the best possible rate that includes encoding costs and incorporate these costs into the production budget. Post-production facilities are rather competitive these days so negotiation is definitely an option.

For producers that are starting to build their libraries and have products that are in demand in the digital market place (shorts, lifestyle segments, children's as examples) **investing in encoding equipment can be beneficial**. A decent set-up with HD capability should run around C\$35K (vs. double that a year or so ago).

Soul Search First

So you are pumped! You want to do the digital dance. You're ready to invest in digitization and you are excited about all the potential opportunities that might come with having your content ready for multiple platforms.

But wait. Just before taking that next step, i.e re-mortgaging the house, maxing your credit card, giving up your yoga classes so that you can actually finance all this - there are a few things you will have to consider. A few big things. For example, is your content really suitable for other platforms? In the traditional TV model, half-hour or one hour programs have been the norm and these content lengths don't always translate well to other platforms. Depending on the screen size of the devices, some of this "long form" content is just not playable, so producers need to consider that before investing resources to migrate their content to other platforms. For example, unedited car chase scenes, or any fast moving sequences with big sound will not work on most mobile screens. On the contrary, comedy sketches work extremely well on a small screen.

Flexible Content for Multi-Platform Distribution

It is difficult to produce content at the onset of such diverse delivery systems, but some advanced thinking benefits hugely down the road. Also, a good editing professional, who understands these devices, is invaluable in enhancing the user experience.

Most producers are too constrained financially to think about additional content during production. However, one can be strategic in the production process (even at the scripting stage) by making sure the content is as flexible as possible for multi-platform distribution. For content creators, the objective is still the same - audience engagement. It does require non-linear thinking and an understanding of basic marketing principles to be successful at creating engaging and flexible multi-platform content. Some examples:

Script: Highlight short segments and/or alternative endings shot but make them only available online or on DVD.

Shooting: Take advantage of other camera angles for "another perspective" to engage the audience with the characters

Editing: Take advantage of mash-up tools, video blogs and strategically placing passive content for online or on-air promotion opportunities

Website: Modular production so pieces of your content can live anywhere, even as downloadable content

A Final Word to the Web Wise - Rights Management and Broadcaster Relationships

So you've done all this work, spent all this money to digitize your content and then your broadcaster wants to benefit without putting some skin in the game. You know the drill, many TV producers are complaining about broadcasters taking too many rights. As seen in many US models, broadcasters currently own the majority

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of the eyeballs on professionally produced content and are aggressive in making sure it stays that way in order to remain the most effective way of promoting a property. The trouble is, for all the rights broadcasters are acquiring only a fraction of them are being exploited, making them essentially “rights squatters”. In many producers’ view this severely limits the potential exposure of the property in other platforms. The truth is that most broadcasters are interested in two things: increasing their brand equity and making money. That’s funny. That’s what content producers are interested in doing too. So that being the case, consider working with your broadcaster to put an equitable deal together so that digital platform rights do not go to waste.

How to Drive Internet Traffic by Marketing Digital Media Content

by Sasha Boersma and Andrew Lane

The most important thing you need to identify before you begin any marketing activity is your goal. What is the end result of everything you're attempting to achieve with the audience? Is it to drive traffic? Increase page views? Create a community? Sell a product? Monetize your content through advertising? Whatever your goal, the best way to conceptualize this is to think of each of your marketing efforts as the spoke of a wheel leading back to a hub. Your hub is the place where you'll achieve that goal. It is recommended that your main URL act as your hub as it is accessible 24/7 from anywhere in the world. Once you know what that hub is, (i.e. your core URL) then you need to begin to plan each strategy that will link back to the hub and strengthen the wheel as you build momentum for your brand.

They say once you learn to ride a bike, you never forget - and once you begin to conceive your brand marketing initiatives in this fashion, with diligence, your efforts will never lose momentum.

Driving Internet Traffic to Your Hub

As you read through this document, it is important to remember that each time we discuss a new tactic, it is crucial to consider how the tactic connects back to your hub. Provide a link (whether an actual online hyperlink, signage, visuals, etc.) or a simple brand message or connection that brings the audience back to your hub where you can aggregate the fruits of all of your labour and, hopefully, commercialize them.

If your hub is indeed your URL, consider that when creating and securing your URL you want to ensure it is recognizable and easily associated with your brand. Make sure your URL is relevant to your content, memorable, easy to spell and can be clearly verbalized (so you can easily tell it to others in person or through voice over in media). If you can, buyout all the available extensions including the .ca, .tv, .org or any other relevant and available extensions. Don't forget to buy common misspellings as well.

Driving the Right Traffic and Tracking Your Audience

Your marketing wheel has the possibility of many spokes. Although there are many tactics to choose from, not every opportunity you implement is going to be appropriate for your audience. Take the time to really understand who you are targeting and their behaviour. Know and recognize the platforms/venues your audience will most likely visit, participate in and trust. Make those the priority and the focus of your efforts. Just because people are talking about Twitter, or watching the Super Bowl, does not mean either platform is the right one for your audience. Facebook is huge, but mostly with younger generations. So will you find a great deal of Moses Znaimer's "Zoomers" brand focusing on Facebook? No. They have a small presence, but their efforts are in other channels, more appropriate to their specific niche.

If you want to understand the behaviour of your audience, you need to be able to track them. For those with more funds, focus groups and larger studies are important to get to know audiences and their feelings toward your brand. At a lower budget level, minimally ensure you are tracking their movements on your website. This can be done with great, free tools like Google Analytics (online tracking tool,) or AWStats (server-side software) and others. Additional online analytics that can be easily tracked include number of registered users, game plays, content submissions (message board posts, UGC) return visits, length of time on the site, page views, etc. Your metrics should be consistent with your goal, as discussed in the opening paragraph.

The Spokes

Not every "spoke" is appropriate for every audience, every brand or every budget. That said, the following is an overview of some important marketing ideas that can help. Of course, with each one, it is vital to remember that the material must drive the audience back to the hub, contribute to your goal, and above all, provide enough value to the audience that they'll be compelled to pay attention (and possibly even share it with their friends).

Whenever possible, it is important to create an opportunity to make your media social - allow fans to share it with friends and bring new audiences to your hub.

Low/No-Cost Essentials

SEO (Search Engine Optimization)

Be sure that your website(s) are optimized for search. Without search optimization, it is very difficult for audiences to find your site organically. Google's Page Rank is considered the defacto tool for web crawling. The algorithm that operates Page Rank is described [here](#). Google also offers webmaster tools to help Page Rank and other web crawlers find and properly index your site. You should also ensure that your programmer includes proper metadata in your site to further optimize this process. This includes keywords and descriptions in your meta tagging, keywords, page descriptions, etc. There are many great SEO resources online. [Here is just one example](#). Googling "SEO tips" can find you many others. None of these are a magic bullet, but all of them together will significantly help your website to be discovered.

Inbound Links

Search engines such as Google use algorithms to judge how relevant your site is to people searching for topics related to your niche market (your meta tags). The more inbound links you can create to your homepage, the better. This can be achieved by contacting organizations to arrange link exchanges, commenting on blogs and other content with backlinks to your site, or having partners link to the project, wherever possible. Remember, the more 'relevant' the site that links to you, the more 'relevant' search engines will believe you to be. All that said, remember that sites like Wikipedia won't be registered by engines in this way - they figured out it was too easy for web producers to spam search results by creating their own inbound links! There are a number of web services which offer thousands of links to your Web site, commonly known as link farming. Whether offered free-of-charge or per link, they should be avoided at any cost as Google and Yahoo! have detected these methods and may penalize your site.

In addition, it is best to avoid pages devoted entirely to links. Technicalities of algorithms aside, you want your link partners to scatter links within the texts of your pages. If your inbound link is coming from a page which promotes 400 other sites, their 'vote' for your site doesn't count for as much as a page with two or three links to your site.

Contests

A fun way to encourage users to sign up for mailing lists is to reward them with the opportunity to win a prize. This item is in the Low/No Cost section as it's often possible to bring in partners that will add muscle to the contest initiative, free of charge. Bringing on a brand appropriate to your audience with a great prize could help entice a broadcaster or portal to give your contest more exposure. While always enticing, it is important to note the responsibility of running a contest. Be wary of the scope of your contest (i.e. if the contest is open to residents of Canada and the US, Quebec has different rules to adhere to, as do many individual US states), privacy and security laws in the collection of user data required to ensure users feel safe (i.e. - SSL certificates), as well as the ongoing monitoring of incoming inquiries.

Mailing Lists / Email Marketing

What better way to communicate directly with your audience than communicating directly with your audience? On your website, invite users to subscribe for content and brand updates. Then, on a four to six-week basis, preferably timed with new content or important news to your fans, send out a branded (graphically or HTML/CSS designed) email to call your audience to action. Be clear in each message about what you want them to do and ensure you're providing value. Also, ensure you're not overusing the mailing list or your emails will soon be ignored. Email marketing programs can be run through more simple, [free services](#), or more robust [paid services](#). There are dozens on the market, so choose one that fits your needs.

Paid Materials

SEM (Search Engine Marketing)

If you have a little money to spend, you might want to launch a pay-per-click campaign with [Google Ad Words](#), [Omniure](#) or perhaps inside [Facebook](#). This tactic is only recommended if you're attempting to sell a product or commercialize the traffic in some way that justifies the expense - otherwise you're just generating expensive traffic.

Sales materials

You should consider creating some offline promotional foundation for your brand. Sales sheets, posters, postcards and press releases provide greater awareness if used effectively. However, consider its appropriateness for your audience and your goal with the sales piece. Some materials like stickers and temporary tattoos could be great for young audiences, while sales sheets and project posters may be more appropriate for partners and distributors. Send posters to project supporters to display in their spaces to create awareness. Produce video trailers to promote the interactivity of your project. Provide samples of content (i.e. a game or two) on a USB key with a branded interface. Have postcards readily available to hand out any time your brand is going to be in the community - if you are shooting on location after your show is on air, even equip the security with some collateral to pass on to curious on-lookers. Sales sheets are an essential industry tool but can also double as content for an 'About' section on your site - be creative and resourceful with this information. Press releases can be distributed to a number of online news sources which generate buzz among new media opinion leaders, and automatically give your site inbound links from each online source. In addition, be wary of costs incurred for printing, distribution and storage of these assets.

Banners and Buttons

If you are selling a product and have some money to spend, banners and buttons can be a way to gain some visibility and get some traffic. Always be sure you are paying per click or if possible, per conversion (a click that leads to an actual purchase). Otherwise you are throwing money away buying impressions as this is something you can not quantify. This is not a highly recommended spend - as will be discussed later, social and other evolving media can provide more cost-effective traffic.

In the case of both SEM and Banners/Buttons, it might be advisable to create a custom landing page for your clickthroughs, taking them directly to what you are advertising, rather than sending them to your site's homepage and forcing them to search for your product. Nobody likes to get excited about something and then have to search around the site to find the value that they came for.

Viral Activities, Guerrilla Marketing Campaigns and Social Networking

These three elements have the potential to create the most organic buzz, but are also among the most difficult to pull off. The popular [Office Max "Elf Yourself"](#) campaign was one of twenty campaigns created by Office Max's advertising agency and the only one that succeeded. Obviously, this is an expense many can't afford, but it also demonstrates the amazing potential of viral. Successful viral activities, guerrilla marketing campaigns, and social networking require a lot of careful planning to pull off and should not be taken lightly. These initiatives include a wide range of opportunities - they can serve as a means of pushing out awareness of the hub, as well as a hook to pull the audience into the hub. They can be about providing your users with tools, gadgets, and information to encourage the fans to take ownership of your property. In many cases, these activities will be extensions of one of your spokes (i.e. a Facebook application or a YouTube viral campaign).

Social Networking - Support the Existing Audience

Social networking is perhaps the greatest tool created in the Web 2.0 universe to keep your existing audience engaged. The low-risk, low-cost use of Facebook, MySpace, Bebo, Twitter or any other social networking tool can help in keeping current fans active in your brand. Create a Group, a [Fan Page](#) or even [an Application](#) so fans can share their enjoyment of your content with others. Be wary though, simply building these assets will not ensure success. It is vital that a person be charged with growing and nurturing these communities, to post new content in the form of discussion topics, photos, videos, or simply responding to users' inquiries. The title of "Community Manager" is one that didn't exist five years ago, but is shooting up in big and small businesses worldwide to address this. Remember you can't network your brand socially without appointing someone to represent you in the conversation - this is a cost of doing business in this space.

Reward Ultimate Fans

CBS' How I Met Your Mother is a show targeted to 18-35 year olds that provides many great examples of how to reward and provide value to its ultimate fans. The show has been known for creating micro-sites related to jokes within the series that pique interest for broadcast and drive audiences to the show's main site. For example, a story arc in How I Met Your Mother included reference to one of its characters having

once been a child pop star. The name “Robin Sparkles” lead fans on to YouTube to find a [music video](#) that added to the storyline and created a viral opportunity for the show to grow a new audience. While there is cost associated with producing this, it paid off in spades by adding value to the show’s ultimate supporters, allowing them to become brand advocates themselves.

Immersive Gaming

An immersive gaming campaign leaves mysterious clues for people to find, from which they are pulled into a ‘rabbit hole’ which leads to crowdsourcing (masses of people working together to solve a puzzle), and if well-executed, a massive payoff is at the end of the tunnel.

Two of the best examples of uses of immersive gaming for marketing include the release of [Nine Inch Nails’ Year Zero](#) and the multiple campaigns for Dark Knight.

Encourage User-Generated Content

The Japanese manga industry can teach us a lot about how content creators can work with their fans for the greater good of the brands. Manga fans have been encouraged to generate their own content for years - known as [dojinsh](#). It basically involves letting fans do whatever they want with your brand and its related properties. Examples range from [6teen.ca](#) which is 100% fan-made recreations of the popular Fresh TV Inc. and Nelvana Ltd. television series, to zinc Roe Design’s [Zimmer Twins](#).

Broadcasters, brands and portals, oh my!

Let’s face it: viral and social success stories on the internet are few and far between. To truly drive significant traffic to your site, you need some muscle. This is one of the great benefits of the Bell Fund - requiring that an interactive producer have a **broadcaster** commitment to promote their content. To have tens or even hundreds of thousands of broadcast viewers pushing to your site can do in one screen shot what months of viral efforts can accomplish - if they ever do. So treat your broadcaster like a true partner and hopefully it will pay off in traffic. Build excitement for your broadcaster by continually working with them to create bonus online content, promote contests and even attract brand sponsorships for your property.

Another opportunity lies with **brands**. While this opportunity is really only beginning to emerge here in Canada, brands represent some financial muscle, and in many cases have loyal followings. This is an area that will be emerging rapidly as product integration becomes more integral to financing and to the advertising world as a whole.

Finally, portals aggregate staggering amounts of traffic on a daily basis but they do so in very targeted segments. Potential partners like [MSN/Sympatico](#), [Canoe](#), [Heavy](#) and others can be a great home for some of your content or a great traffic driver - if you can bring value to them. Often, strong content that presents appropriate value to an advertiser can be a great opportunity to build a larger partnership.

Conclusion

It cannot be stressed enough that it’s crucial to always know what the hub of your wheel is. When following any of the advice above, if you don’t know where you want your audience to go, and how you’re going to receive them once they get there, your wheel of engagement is lost. When that happens, the spokes no longer connect to the hub and just like with a bicycle with broken spokes, forward momentum for your property is stalled and wasted efforts reign supreme.

Once this strategy is in place, remember that every spoke should represent an opportunity to add value for your target audience. We all know that “if you build it, they will come” worked in the movies, but in the real world it’s not so simple. You need to take advantage of every opportunity, or spoke, to drive audiences back to your hub and to provide value for them at every touch point.

With all of these things in mind, you’ll be well on your way to achieving you goal.

Broadcasters Online: What they Want. What they Offer.

By Ted Brunt

How Canadian Broadcasters Work

Broadcasters are the catalysts (and major customers) for content production. They license, co-produce, commission or outright create television and online content. They trigger a number of external funds for producers to access, and they acquire various types of rights and clearances to broadcast that content to Canadians, thereby generating advertising and / or subscription revenues. Broadcasters generate revenue in a variety of ways: selling advertising (sponsorships, spots and time buys), international sales and syndication, merchandising and product placement, streaming or download fees, and in the case of specialty channels, via subscriber fees.

What Broadcasters Want from Interactive Digital Media

Broadcasters differ from each other in how they are structured to support interactive digital media. Usually there will be an executive with the sole responsibility of managing interactive content for the network or channel. At larger broadcasters, there may be an online/digital/interactive content liaison executive for individual content areas, such as Children's, Documentaries, Drama or Variety.

Broadcasters Want to be a Participating Partner

What many broadcasters want most out of the online content proposal process is participation.

It is essential to establish contact with the right individual at the broadcaster early in the process to determine what their expectations are, how much involvement they want and what they might have to offer.

Check with the broadcaster and ask a lot of questions:

- What rights do they want? For how long? What territory?
- How long is the site (or application) expected to remain online or active?
- How closely linked to the television content does the site (or application) need to be?
- What are the requirements for ads or sponsorships?
- Will they require an "evergreen" version of the site when it is not on the broadcast schedule?
- Can the site creatively expand the characters or plot from the TV series? Who will review and approve, and do you require a writer, talent or content from the show?
- How does the broadcaster feel about content extending to other platforms or channels, like YouTube or social networks?
- How comfortable are they with the risks and opportunities associated with technical innovation?
- What are the technical specifications for their website? Who will be responsible for updating the content?
- Do they have deals with mobile content providers? Social networks? Portals?

Consider the basics goals that broadcasters likely have for interactive content associated with a television program:

- promoting the broadcast component and attracting new audiences
- deepening a relationship with audiences; the phrase "360 degree content" is often used, and broadcasters look for opportunities to go where they think their audiences spend time
- creating compelling content that can exist on its own and draw in audiences
- Enhancement of revenue opportunity

Broadcasters Want Approval Rights

Broadcasters are used to having many stages of approval on content for television. This is now the case for interactive content, so plan for this in every stage of communication with them from proposal concept, to writing the proposal to actual content production and delivery. Establish milestones for approvals, and formal sign-off. Expect revisions, and budget for them accordingly.

Broadcasters Want Your Timing to be Right

Broadcasting is very much a deadline business and interactive content linked to broadcast has to be synchronized extensively with the television content. Interactive producers often deal with moveable deadlines as technical issues and scope creep emerge in production, which can lead to be a constant cause of tension between television and interactive producers. This tension can be contained via good research, accurate estimates while preparing proposals, and management of scope during production. One of the best ways to assure broadcasters that things are under control is by establishing a top-level group of milestones, and remain in contact with the broadcaster as each is met. Everyone recognizes the challenges of emerging technology so it is vital to constrain concepts to realistic time lines.

Broadcasters Want Quality

Quality of the interactive content is a top priority. Quality can mean many things. For example, if you are creating a back-story video for a drama, a broadcaster will expect the writing to be similar to the series, if not by the same writing team. Replacing actors with overdubbed audio for a game will probably not be acceptable. If a site uses video on it, expect the broadcaster to push for the best experience possible for their audience.

Broadcasters Want Content that Fits their Budget

Some broadcasters offer license fees or equity investments for interactive content. These fees can range from a few thousand dollars to closer to \$100,000, depending on a broadcaster's interest and priorities. Not all broadcasters offer fees, and there is no current standard for the amount of money made available. Broadcasters will have different fiscal years, different approval processes, and varying sources for how they fund interactive digital media.

Even if license fees are not offered by the broadcaster, they bring a lot of in-kind services to the relationship. Hosting, marketing, advertising, syndication and many other commitments can be made by the broadcaster to increase their leverage and push the project to success. Perhaps the greatest asset broadcasters have is the size of their audience, and ability to sell against it.

A word to the wise about putting your interactive production budget together: some broadcasters have very experienced teams in place that also design and create interactive content. They will have input on production budgets, so expect their scrutiny on production and content plans.

Don't forget to include all rights acquisitions and clearances for the term of the agreement with all related parties. Broadcasters have relationships with various collective bargaining units, and it is important to recognize this when creating any new content that requires their skills.

Broadcasters May Want Technical Support

Broadcasters usually have very structured technical services established for their content. They have bandwidth, redundant servers, and consider their websites to be similar to their channel, with very little downtime. If independent producers are hosting interactive content, there could be an expectation of a similar level of service on behalf of the broadcaster. Hosting can be an enormous fiscal burden depending on the content, and should be factored in clearly for the proposal.

Often it makes sense to leverage the broadcaster's technical infrastructure for expensive data like video or multi-player gaming. Be explicit about who hosts what, if there are any costs associated with hosting, and how long it will remain online.

Often the broadcaster is only interested in Canadian rights. Producers may still have to run an alternate site for each territory in which the interactive content sells.

Creating a project that encourages user-generated content or that integrates with social networking sites can be attractive to broadcasters. However, these activities can also have enormous maintenance and staffing/moderator issues in order to remain relevant.

Make sure that there is a clear understanding of the impact of creating content that requires human intervention. Broadcast licenses often span multiple years, with the assumption or expectation that the

interactive content remains active throughout the term. Be explicit about who is responsible for what activity, and for how long.

Some broadcasters have existing social tools or relationships with vendors in place, and the interactive content will be expected to mesh with them seamlessly. These tools change often, so get the latest technical specifications from a qualified person at the broadcaster.

Find a technical contact from the broadcaster early in the proposal stage, and acquire technical specifications and identify integration concerns, regardless of where your project is hosted. Get the technical issues approved as early as possible to avoid surprises in production.

Broadcasters Want Marketing, Sales and Promotion

Most broadcasters have their own marketing and ad sales teams in place that are well positioned to leverage their relationships for your content and may agree to split revenue with you in certain cases. They may also be interested in having sales done via relationships initiated by the interactive company if the benefits are attractive.

Make sure you clearly outline what the project can expect from broadcasters in terms of promotion and marketing, and that they make sense for the target audience. Feel free to suggest alternative methods of marketing early to gauge interest, but be prepared with research to back up your ideas. Broadcasters vary in how modern or traditional they are in marketing, so work closely to benefit the project in the best way possible. Some broadcasters have strict rules as to what and how they can promote or sell. For example, many broadcasters consider children's programming to be commercial free, and will extend those limitations to online content. Others will select only a group of priorities for promotion, with a focus on series in their first season in order to establish audience. When in doubt, try to include someone from the broadcaster's marketing or communications department in your discussions.

Broadcasters also differ in their expectation for what the URL of the project will be. Many insist on hosting content and having the promoted URL point to their domain. This is where geo-fencing can be an attractive way to align the distribution of content with broadcasters' expectations for their territory.

Broadcasters Want Revenue

All broadcasters, whether commercial or public, judge some or part of their online success by measuring traffic. Content must be measurable, and in a perfect world will be verified by a third party in order to make it more attractive for display advertising. More broadcasters are aiming for "total audience measurement," which provides a snapshot for a property and how it performs in broadcast and all other places where the content is located. Consider this in the design of your content, and expect that broadcasters will push for solutions that fit their current statistics system. For example, if a broadcaster expects to make a certain amount of revenue via display advertising, build your content in a way that allows them to count page views or insert ads.

Revenue for interactive digital media can come from a variety of sources:

- Sponsorship
- Display Ads
- Syndication deals
- Product Placement
- Merchandising
- Subscription fees
- Streaming/download fees

Usually broadcasters will want the rights to exploit the content they have licensed. There are some situations in which a revenue share can be negotiated. Since models are emerging for online revenues, everyone is looking for interesting opportunities. Be clear in understanding what participation you have for which activity. Watch for definitions of "gross" revenue and "net" revenues. The broadcaster may expect a commission (for example 10-15%) to sell content sponsorship with additional deductions for out of pocket expenses incurred. In addition there may be union use fees and broadcasters may expect to recoup their original licence fee or investment and then share net revenues (the split usually negotiated on a case per case basis) with the producer. But not always! Some broadcasters expect to share gross revenues from any exploitation of the

interactive content in all formats and in perpetuity. For others, all revenues generated in the broadcaster's territory is revenue for the broadcaster.

Everyone in the media business is attempting to determine which models for production and revenue make the most sense. Many broadcasters are seeking new ways to create and distribute content. Expect the landscape to continue to change, but know what you want to retain or participate in early in development.

Broadcasters Want Domestic Rights and Territories

Usually television producers license their content to a broadcaster for exploitation within a certain geographical territory, allowing the producer the ability to sell the content to other countries or territories. This model is now extending online, as many broadcasters are acquiring various online distribution and syndication rights but often unifying them to the same territory as their broadcast license via geo-fencing.

Be aware, that interactive content is increasingly considered to be simply a part of an overall, integrated content production. Broadcasters therefore are seeking to synchronize rights wherever possible with their broadcast licence. For example, if their license for broadcast spans seven years, they would expect the same for interactive.

Due to the nature of some funding sources and the requirement for a license prior to submitting a proposal, synchronizing can be problematic. Add in that interactive is often produced by a third party, and it means the reality of having two separate agreements; one for television, another for interactive.

Television has a long history, and the legal and business development processes are established. The emergence of interactive has placed a lot of pressure on the broadcasters to update their approach to agreements, but interactive companies entering into a relationship should come prepared with legal counsel and a strong sense of what they are prepared to do what they are not prepared to do.

Conclusion

Creating content involves a large group of dedicated people and a lot of communication. Contact the broadcaster's interactive executive early. Get their buy-in for your concept, and the support from their technical and marketing support areas. If they plan on committing a license fee, get it in writing. Establish milestones for each major stage of the project, and stick to them if you're lucky enough to get your project approved. Allow your broadcaster to have approval on design and content. Broadcasting is a communications business. Keep the lines open, and hopefully your project will lead to many more in the future.

Generating Revenue Online: International Sales

By Kenneth Locker

The global media industry is in the midst of a major transition as it seeks to reinvent itself in the wake of a dramatic increase in the number of new technology platforms that are enthusiastically embraced by consumers. It is vital that television producers not only create cross-platform extensions of their programs, but do it in such a way that they can easily be included as part of the foreign broadcast license. Below some insight about how producers can better understand and prepare for international multi-platform distribution.

Understand regional differences and opportunities

Virtually all broadcasters have some sort of web portal. Sites such as the BBC, TF1 (France), TVE (Spain), RTL (Germany) have robust websites with diversified content and generate millions of unique visits per month. The ultimate opportunity here is that in a very uncertain global economic environment, anything that differentiates content is valuable and having a strong web component could be a key determining factor in making a TV sale to a broadcaster.

Larger broadcasters that have interactive departments can work with the content integrating it into the larger portal. Smaller broadcasters that have limited resources will expect the content owner to do most of the work.

What to consider during development to keep interactive components viable in all markets

It is important that the initial design of the web property take into consideration localization. An easy-to-use comprehensive localization kit is imperative. Basically the kit deconstructs the site into its core elements. This will include a series of templates that include a spread sheet with each line of text broken out into its own cell, each of the graphics separated into Photoshop files so that any embedded images can be adapted to local needs and any other graphical or text element presented in a way that specific elements can be changed according to specific local requirements. This will make the project more attractive and cost effective for foreign partners.

Also producing the project so that it can be integrated into an "I-frame" environment is important. An **I-Frame** (from Inline Frame) is an [HTML](#) element which makes it possible to embed an [HTML](#) document inside another HTML document. This allows the broadcaster to easily integrate it into their portals. If clips are used, it is important to make sure that all the rights are cleared for the music and other sounds and voices and any actors that may be used.

Viable usage models: Multiplayer Games, Virtual Worlds, Social Networking

The challenge for broadcasters is that, particularly for younger audiences, TV is becoming the new radio. The PC is rapidly becoming their entertainment platform of choice and the broadcasters are challenged in both trying to capture and retain their audiences as well as monetize them.

We have found broadcasters very interested in adding large scale websites that supplement their programming. Casual games, multiplayer games, immersive virtual worlds and social networks are the most desirable. They encourage repeat long-term visits and if they are effectively connected to the TV show, it will drive on air viewership.

In the children's arena, which is the core of Cookie Jar's business, the developer must adhere to the guidelines of both COPPA and CARU (see definitions below). These government sanctioned oversight organizations provide usage rules as to how much personal information can be elicited from a child and where and how advertisers can promote their products. Most countries have some form of government oversight for children's online content. Obviously this is something that has to be considered during the development phase.

Viable business models

The reality is that, as of September, 2008, many preconceived notions of new media business models evaporated with the implosion of the global capital markets. It remains to be seen what the ultimate impact of

this will be and in what time frame and what form the recovery will take place. As consumers have less disposable income they spend less on goods and services and therefore it is inefficient for advertisers to spend money advertising for things people can't buy. Historically entertainment has been reasonably recession proof; it has represented a good value in terms of expenditure.

In the past there have been three basic business models that we (i.e. Cookie Jar) have used:

1. Not break out the web component as a separate element but include it as part of the overall TV license agreement and add a 'premium' to the license agreement (e.g. an additional \$500 per episode). This is often more palatable to broadcasters as they may not have a separate new media budget.
2. The second model that has been successful is for the license fee for the new media component to be equal to the license fee of a single episode. That is, a license fee is paid and it ultimately has to be negotiated on a case-by-case basis as to what is provided. The producer has to analyze the value of each territory in terms of the overall economical potential of the site. Obviously these fees vary but it could be anywhere from \$500 to \$10,000 per territory (N.B. these are prices that were viable prior to the current economic crisis). It may take successful sales in several territories for the web component to recoup its cost. This model makes sense for larger complex sites such as immersive worlds or multiplayer games where there is the potential of a business model that may generate some revenue.
3. The other model is to partner with the broadcaster, whereby they will dedicate some on air ad inventory promoting the game and position a link to the game (or whatever) prominently on their website. Generally the revenue share is anywhere from 30/70 to 50/50 in favour of the new media developer. In this advertising model the broadcaster is not paying anything (perhaps localization costs), but is linking (i.e. sending users to the producer's website) and receiving a revenue share from that traffic. In this model there is little risk for the broadcaster as they are not investing in the game and most cases will not host it; they are merely providing marketing and promotional support. Projects such as multiplayer games and virtual worlds can lend themselves to both advertising and micro-transaction/subscription models. This can be a great incentive for broadcasters who want to continue to capture and monetize their TV audience as they move online. Business models are still somewhat nascent. The advertising models are going through significant changes. Display advertising (banners, etc.) have diminished greatly in value while video ads such as pre roll and mid roll insertions have increased. Ultimately new forms of advertising have to be developed to fully maximize the opportunity.

Conclusion

The key opportunity and challenge for the new media producer in both foreign and domestic cross-platform licensing is to effectively leverage the derivative value of all platforms linked to the brand to gain awareness and value to all stakeholders. If you can connect the on air and on shelf with the online you will have brand whereby the whole is far greater than the sum of its parts and overall value can be driven exponentially by the dynamic synergy of the related platforms

Definitions:

COPPA: The **Children's Online Privacy Protection Act** of 1998 (COPPA) is a United States federal law. The act, effective April 21, 2000, applies to the online collection of personal information by persons or entities under U.S. jurisdiction from children under 13 years of age. It details what a website operator must include in a privacy policy, when and how to seek verifiable consent from a parent or guardian, and what responsibilities an operator has to protect children's privacy and safety online including restrictions on the marketing to those under 13.

The Federal Trade Commission has the authority to issue regulations and enforce COPPA. Also under the terms of COPPA, the FTC designated 'safe harbor' provision is designed to encourage increased industry self-regulation. Under this provision, industry groups and others may request Commission approval of self-regulatory guidelines to govern participants' compliance, such that Web site operators in Commission-approved programs would first be subject to the disciplinary procedures of the safe harbor program in lieu of FTC enforcement.

The Act applies to websites and online services operated for commercial purposes that are either directed to children under 13 or have actual knowledge that children under 13 are providing information online. Most recognized non-profit organizations are exempt from most of the requirements of COPPA.^[1] However, the Supreme Court ruled that non-profits operated for the benefit of their members' commercial activities are

subject to FTC regulation and consequently also COPPA. The type of “verifiable parental consent” that is required before collecting and using information provided by children under 13 is based upon a “sliding scale” set forth in a Federal Trade Commission regulation^[2] that takes into account the manner in which the information is being collected and the uses to which the information will be put.

CARU: The Children’s Advertising Review Unit (CARU) was founded in 1974 to promote responsible children’s advertising as part of a strategic alliance with the major advertising trade associations through the National Advertising Review Council (comprising the AAAA, the AAF, the ANA and the CBBB). CARU is the children’s arm of the advertising industry’s self-regulation program and evaluates child-directed advertising and promotional material in all media to advance truthfulness, accuracy and consistency with its *Self-Regulatory Guidelines for Children’s Advertising* and relevant laws.

CARU’s basic activities are the review and evaluation of child-directed advertising in all media, and online privacy practices as they affect children. When these are found to be misleading, inaccurate, or inconsistent with CARU’s *Self-Regulatory Guidelines for Children’s Advertising*, CARU seeks change through the voluntary cooperation of advertisers.

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Total Drama Island Interactive – A Success Story

By Patrick Crowe with Andra Sheffer

Interactive production company Xenophile Media and TV producers Fresh TV joined forces at a very early conception phase to develop an integrated TV and online concept for the animated, tween “reality” series [Total Drama Island](#). Simultaneous with the launch of the series on Teletoon Canada, they launched Total Drama Island – Totally Interactive comprised of 26 weekly online games based on the challenges presented during the weekly broadcast episode of the TV series. The series was a massive hit both in Canada and in the United States on Cartoon Network where it broke ratings records for the network. The budget for the online website was \$500,000, and with sales of the series and online component in multiple territories worldwide, the marketing strategy seems to be paying off for the producers and for their distributor [Cake Entertainment Ltd.](#) (UK) – in real cash returns and impressive numbers of registered users.

Distribution and Sales Partners

Distributor Cake Entertainment was involved from the beginning, and was kept up-to-date on the creative material for the interactive project and was even provided with Beta versions to demo at international content markets. Cake placed a value on a licence for the interactive component of one tenth of the value of the television licence in each territory in which the series was sold. They prepared marketing materials and one-sheets/flyers for the interactive project in their sales packages. With an impressive 70% conversion rate in Canada of Teletoon television viewers to registered users, Cake took a successful series and its interactive component to international markets and negotiated both the TV and the interactive deals with international broadcasters.

The first foreign sale of the interactive property was made by Cake to Jetix Benelux – where the TV ratings were phenomenal, followed by major sales to Cartoon Network US and Europe. Then came Jetix UK and Cartoon Network Latin America (where there were 100,000 new registered sign ups each week!) Sales continued with TV3 Catalonia (Spain) and ABC Australia. In most of these sales, in addition to the TV series, broadcasters have only licensed online rights, which means future mobile or other platform rights are still available. The term of the licence for the interactive content was the same as for the television series and after the first broadcast, some of the broadcasters have exercised the right to include the games directly within their own sites.

Despite the distribution success of the property, Xenophile emphasizes that it involved a learning experience for all involved, including distributors, producers and broadcasters due to massive TV ratings in the US, users swarmed the site after each of the first four broadcasts, crashing the servers and requiring a site overhaul and redesign. The unanticipated cost of servicing such a large user group (three million members!) needed to be shared between Fresh, Xenophile and the broadcasters. For Cake, (and distributors in general), television sales are still more lucrative and therefore more of a focus for sales teams though interactive properties such as this not only provide a compelling enhancement to distribution sales at a time when broadcasters are interested in cross-platform properties while revenues in this field are simultaneously growing – especially in the children’s sector. In the end, with Fresh TV’s financial assistance and Cake’s persistence, Total Drama Island – Totally Interactive! paid off, and total gross licence fees for the Interactive website in over 30 territories have exceeded \$267,000 to date.

For broadcasters, it has been a challenge to find the internal budgets to pay for the licensing of interactive content. The TV series was the driving force and licence fees often came out of program acquisition budgets, rather than the more limited interactive department budgets. However, TDIT has proven that compelling web content is worth paying for because it generates the kind of traffic that broadcasters want!

All parties involved agree that despite some of the challenges, there is great value in the experience; they are now poised to do to it all over again – with much more knowledge and know-how!

Customization and Integration Revenues

With licensing deals in place, Xenophile negotiated separately with each broadcaster to undertake the customization, localization, integration and synchronization required, as the project involved large databases and extensive web hosting. Broadcasters were typically responsible for the initial translations and delivery of required audio files, and paid Xenophile for the integration and translation review costs, estimated at

\$5,000 to \$7,000 per territory, for the interactive property. Some broadcasters paid additionally to have the site customized to fit directly within their browser frame and there were also issues related to COPPA compliancy in the United States to consider which necessitated further modifications to the Cartoon Network US site. Synchronization, custom uploading and testing for live launches around the world kept Xenophile staff working 24 hours a day. To promote the website, Xenophile produced an on-air promo for broadcasters. Total revenue generated by Xenophile for these activities exceeds \$250,000.

Hosting Revenues

To cover hosting charges, Xenophile developed a formula for clients based on expenses such as estimated hosting costs, balancing web and database servers, the need to support unprecedented numbers of simultaneous users and acceptable caps on user registrations to limit broadcasters' exposure to unbudgeted costs in case the show was an runaway success (which it often was!). Broadcasters paid a few cents per registered user to cover the hosting costs as defined in a pricing matrix. Hosting the website for international broadcasters has generated more than \$366,000 in hosting fees for Xenophile.

In all, Total Revenues to date for Total Drama Island – Totally Interactive are approximately \$900,000.

Website traffic

There is no doubt that the international success of multi-platform interactive projects is largely dependent on the success of the television series it is associated with as was the case with Total Drama Island. The series was enormously popular on Cartoon Network US, registering the highest viewer numbers ever in its time slot. The final episode attracted an audience of one and a half million television viewers, with up to five million viewers catching repeats throughout the week. At that point, the online property had accumulated three million registered users in the US representing an unprecedented cross-over. But with success, come challenges. It is vital to remember that projects must be designed from the beginning, for big audiences and success. The hosting challenge for TDI Interactive was significant when an estimated 20,000 simultaneous users morphed overnight into 200,000 eager game players online at any one time, causing huge slowdowns across the experience and necessitating a re-design of the database. The moral of the story: engineer from the beginning for success!

Future Revenues

The Total Drama Island interactive distribution experience has cemented Xenophile's international reputation and they now have clients around the world.

TDI Interactive will live on for years and with that opportunity to generate future revenues. For example, a mobile game has been created, Xenophile and their partners at Fresh TV are working on being able to place ads on the generic site in the future, and the games featured in the website can be marketed individually to appropriate game and youth portals.

Total Drama Island – Totally Interactive has proven that compelling online content driven by a hit television series can be a great success domestically and internationally and that success can be translated into significant revenue.

Generating Revenue: Online Content Syndication

By Kate Hanley

With an estimated 167 million-plus websites on the internet as of April 2008, attracting a sizable audience is a major challenge for content creators large and small. Enter online content syndication. Today, smart media players are sending content to thousands of websites across the internet, extending their brands and accumulating the mass audiences advertisers covet. There are three basic approaches to online syndication: *Viral Syndication*, *Partnered Syndication* and *Managed Syndication*. Most producers building a custom syndication strategy will want to incorporate all three tools.

Viral Syndication

Viral syndication is a powerful marketing technique designed to introduce online viewers to content wherever they consume media and ultimately drive traffic back to the host website. Empowered by new distribution technologies, media players distribute bite sized promotional content, including video clips, to numerous consumer portals blogs and social networks. In the case of video, a presence on major video sharing sites such as YouTube (www.youtube.com)¹, Yahoo! (www.yahoo.com), Veoh (www.veoh.com) and Metacafe (www.metacafe.com) is critical. However, there are also numerous vertical destinations devoted to single content themes from *Dogster* (www.dogster.com) to Canada's own *Jokeroo* (www.jokeroo.com).²

Syndicating to social networking communities on Facebook (www.facebook.com) and MySpace (www.myspace.com) as well as niche websites allows creators to target and engage key audiences who act as 'fans,' bringing new viewers back to the anchor property.

Viral distribution is made easier with the help of a host of online syndication services. TubeMogul (www.tubemogul.com) for example provides cost-effective end-to-end video distribution to numerous consumer video portals and social networks.

They also provide robust viewer analytics for syndicated content. Clearspring (www.clearspring.com) offers low-cost widget distribution for multi-media content including videos, slides and games, to over 25 social media sites.³

Some consumer video sharing sites offer revenue to creators, but actual payouts, except in rare cases tend to be modest.⁴ While viral content can reach thousands - even millions - of viewers, once released, content is effectively out of the creator's control and can be mashed-up, posted anywhere and appropriated by virtually anyone. For this reason, premium advertisers and sponsors are typically reluctant to be associated with viral content. Therefore most media companies view viral syndication as a promotional rather than revenue generating strategy.

Partnered Syndication

Media syndication companies like Grab Networks (www.grabnetworks.com) Clip Syndicate (www.clipsyndicate.com) and The News Market (www.thenewsmarket.com) offer professional content partners revenue potential without significant upfront investment. Grab Networks matches high quality professional news and short-form entertainment clips with advertising and makes it available to millions of publishers looking to augment their websites' content. Grab Networks content partners include CBC and the NHL, and numerous smaller content creators.

Professional syndication services can attract high value brand advertisers earning as much as \$30.00 per-thousand- views (CPM's) from video-related ads. Syndicators typically share 30 percent or more of revenues with the creator.⁵ However creator revenues are dependent on the popularity of the clips and vary widely.

Some services use an opt in distribution model, where any publisher can take content from the central library to post on its website. Producers have little control over where content ends up, and should treat partnered syndication as a modified form of viral content, releasing only clips and non-exclusive content for distribution.

Managed Syndication

More and more media players today are developing a core audience network of carefully selected web destinations ('affiliates') to feature their content, often on a long-term basis. As this a closely managed scenario with revenue potential, media companies distribute premium content, including websites, full program episodes, mini sites and other long-form content. Creators select affiliates based on their strong viewership, complementary audience demographics and appropriate editorial environment, maximizing audience and revenue opportunities.

There are currently three major revenue models associated with managed syndication, *Licensed Syndication*, *Advertising Supported Syndication* and *Sponsored Syndication*.

In **Licensed Syndication**, creators provide affiliates with content to host on their websites. Risk is minimized as the affiliate covers streaming costs, sells advertising, and pays the creator a license fee. Producers report earning solid license fees from foreign broadcasters for content sold in tandem with on-air programming.⁶ Other websites commonly pay creators up to 50% of net advertising revenues which can vary widely. Websites who do not have their own sales team often relinquish from 40% to 60% of revenues to third party ad networks leaving little to share with a content creator.⁷ Creators can maximize revenues by licensing multiple titles and targeting affiliates with a robust sales force and premium brand advertisers.

Advertising Supported Syndication is a growing model for large media players with sought-after (usually television) content, online video streaming capabilities and existing advertising sales resources. Here, media companies solicit advertisers and offer advertising-embedded video to any number of website affiliates, retaining the lions' share of advertising dollars, typically paying affiliates between 10% and 20% of revenue⁸.

The opportunity to reach large audiences through a network of carefully selected websites presents an attractive value proposition for brand marketers. CBS is a pioneer of this form of syndication, operating an 'audience network' of over 300 partner destinations and reaching 92% of U.S. online viewers⁹. Others include *MTV Networks*, (www.viacom.com), *Hulu* (www.hulu.com) and *ESPN* (www.espn.go.com).

Advertising supported syndication is investment-heavy and potentially revenue-negative for all but the largest media companies. In the case of videos, creators must cover costs associated with hosting content and 'exporting' an ad-embedded video player that appears seamlessly on affiliate sites. They also underwrite the substantial cost of selling advertising against their property, or accept diminished revenues by working with a third party ad network. Traditional advertising revenues are often not adequate to cover costs or companies without sufficient scale. This model is therefore rarely recommended for smaller players¹⁰.

Sponsored Syndication is emerging as a promising revenue opportunity for media companies large and small. Here, creators sell premium sponsorships and product placement to brand marketers in conjunction with a syndication plan. By distributing sponsored content to numerous online destinations, producers provide marketers with integrated positioning as well as a mass audience. Thus, creators can charge substantial sponsor fees. However, marketers often favour packages with custom content and therefore are best approached at the development stage.

Some U.S. producers are exploiting a barter model, providing broadcaster websites and other high-traffic portals with free integrated content pods complete with articles, video and even online games. In return, the host websites accept the content complete with embedded advertising, product placement or major recognition for a content sponsor. U.S. producer *Studio One Networks* (www.studioonenetworks.com) syndicates multimedia sponsored content like *The Dog Daily* (www.thedogdaily.com) to over five hundred websites including those of the world's largest entertainment brands.

Sponsored syndication is also being tested using online advertising networks. *Family Guy* (www.familyguy.com) creator Seth MacFarlane's internet-only *Cavalcade of Cartoon Comedy* series (www.sethcomedy.com) was financed using this model. The show's producers bought and bartered advertising space throughout Google's adsense network then sold it to sponsors like Burger King. Google distributed short comedy clips created by Macfarlane including top and tale sponsor recognition. According to the show's producers, the series was streamed more than 14 million times within three weeks of launching (www.brightcove.com) *The Platform* (www.theplatform.com) and *Move Networks* (www.movenetworks.com).

As noted earlier, viral syndication can often be accomplished through uploads to video sharing sites, widgets and Media RSS feeds. Creators who license video content to others to display can often give affiliates direct

access to their library online or provide a Media RSS or XML feed. However, producers who wish to distribute ad embedded video to a controlled network will require a video player. The player is then seamlessly embedded on affiliate partner websites.¹²

Despite the help of new technologies, launching a full syndication strategy is no small task. The absence of technical standards for online video translates into having to convert content to multiple formats, and maintaining syndication partnerships is time consuming. This speaks to the necessity of a planned syndication strategy designed to deliver maximum results with select partners over time.

Preparing to Exploit the Syndication Economy

As internet audiences continue to fragment, many predict that syndication will explode. In order to take advantage of the growing 'syndication economy'⁷ producers will need to plan:

- For any online property, try to clear all content and talent worldwide at the outset. Syndication opportunities will be limited otherwise.
- Avoid exclusive content licenses where possible. Syndication opportunities and revenues are growing. It will be important to have access to your content to take advantage of this developing marketplace.
- When seeking sponsorship or product placement for an online property build in syndication opportunities that cumulatively deliver mass eyeballs.
- Budget to create syndicated clips, mini-sites, games and other viral teasers as part of your online property.
- Begin planning and budgeting for the substantial costs of encoding, formatting and storing your existing content library as soon as possible.
- Research and select appropriate technology providers early to ensure that your syndication strategy matches your operational capabilities.

While online syndication is still relatively new and revenue models are evolving, it is worth experimenting in this space today. Those able to stake out early distribution networks stand to significantly increase their competitive position and move their content to the top of the online play list. The new normal may well require that all players take content to the viewer or risk being overlooked in a crowded marketplace.

¹ YouTube attracted over 300 million unique video viewers across the world in December 2008. (Nielsen NetRatings, December 2008)

² For a list of over 300 consumer video sites see www.reelseo.com/list-video-sharing-websites

³ See www.clearspring.com for in-depth information on widgets and social media syndication

⁴ For example, Video sharing site Metacafe offers a Producer's Rewards program where 1,000 views equals \$5 and payments start after 20,000 view (\$100). Larger media companies with libraries of well-known premium content may be able to negotiate more lucrative arrangements with consumer video sites on a case by case basis.

⁵ Note however that CPM rates are extremely flexible. At the time of writing, syndicating print content (vs. videos) was far less lucrative due to falling display advertising rates. See pubmatic.com/adpriceindex/index.html for a report on 2008 4th quarter U.S. online display rates.

⁶ See the Bell Broadcast and New Media Fund Report *Where We're At: A Snap Shot of Distribution & Revenue Models for Cross-Platform Production*, page 10 for sample license fees paid for online content, mainly sold in conjunction with broadcast programs. For example, according to the Report, companion websites can garner from \$5,000 to \$30,000 depending on the content and broadcaster.

⁷ As of April 2009, many websites realize net video revenues of less than \$10.00 per-thousand-views and print revenues of less than \$1.00 per thousand views. See the blog post by Jeremy Allaire, CEO of Internet TV platform Brightcove, *5 Key Costs of an Online Video Business* blog.brightcove.com/jeremy/2009/02/5-key-costs-of-an-online-video-business.html for an analysis of current online video advertising revenues.

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⁸ Brightcove Whitepaper, *Reaching Your Audience, A Practical Guide to Online Video Distribution* Download at go.brightcove.com/forms/reaching-your-audience

⁹ For more information see www.cbs.com/can_player/about.php

¹⁰ See the blog post by Jeremy Allaire, CEO of Internet TV platform Brightcove, 5 Key Costs of an Online Video Business blog.brightcove.com/jeremy/2009/02/5-key-costs-of-an-online-video-business.html for a frank discussion of the costs of publishing online video

¹¹ See newteevee.com/2008/10/10/mcfarlanes-cavalcade-racks-up-14m-views

¹² For in-depth information on video syndication technology options see provider websites including www.brightcove.com, www.theplatform.com and www.movenetworks.com

Generating Revenue: How Casual and Interactive Games Can Make Money

By Jean-François Arseneau

Casual games played online have experienced very strong growth in the past few years and this growth continues to be strong despite the current economic crisis. Even before the Wii arrived on the scene, this segment was opening up new markets by attracting users who were not previously interested in games. This has been especially true of adults...particularly women. The rise in casual gaming has come mainly from independent companies that have managed to innovate in terms of content as well as commercial operations.

According to the primary business model, online gaming generates returns through downloading (either as unit sales or online subscriptions). A second model, however, generates earnings through advertising. Emarketeer recently reported that game portals financed by advertising have experienced a major increase in traffic.

There's nothing casual about these market facts and figures...

This market represents several billion dollars in sales worldwide. In 2007, the Casual Games Association estimated the casual gaming market at US\$2.25 billion... and growing at 20% annually.

Over 200 million people play casual games on the internet every month.

The majority of online portals have catalogues of over 1,000 games and are adding 75 to 300 more games every year.

Games sold via downloads are generally designed for the PC. Production budgets may range from \$50,000 to \$250,000 or more.

Free online games are usually small-scale Flash games. Production budgets are lower and vary with the scope of the title.

Casual games are simple. They're very easy to learn and master. However, they are also very absorbing - users re-play them frequently.

The distribution of male and female gamers online is practically equal. This is true of adolescents, and especially true of adults.

An important detail to note is that 70% of the casual gamers who pay for their games online are women.

Casual gamers who pay for a subscription or frequently visit online social networks (such as Facebook) play an average of 7 to 15 hours a week online.

The heaviest traffic times are after supper (7:00 to 9:00 PM) and during lunchtime (12:00 noon to 2:00 PM).

People usually play casual games for short periods of time (5 to 20 minutes). Some gamers, however, will play several games, one after another, for several hours.

An excellent description of the casual gaming market and gamer profiles has been prepared by one of the market leaders, [Big Fish Games](#), in cooperation with the NPD Group. For further details, you can [download](#) slides and an audio clip from the Casual Connect Seattle Conference in July 2008.

A Range of Business Models

Try and Buy

This is the model that's usually associated with casual games. The game is made available in a free version that can be played for a limited time (usually 60 minutes). The consumer must then buy the game in order to

continue playing. In a variation of this model, the consumer is offered a more elaborate version of the game, which must be paid for. The unit price is generally \$19.95. The distributor keeps 50% or more of the sales. The developer gets 20% to 50%. Amazon.com recently [drew major fire from the gaming industry by discounting casual game prices to \\$9.95](#).

Ad-supported

Some portals present games for free in sections that disseminate advertising. Revenue sharing between the portal and the developer is becoming more and more common.

Subscriptions

A few portals (though not many) have had success with this model. Consumers pay a subscription fee which allows them to access the entire catalogue of games. A variation of this model allows them to subscribe for a limited number of games, with the possibility of buying additional games at a reduced rate. [Club Pogo](#) (Electronic Arts) is a good example.

In-game advertising

Breaks are programmed into games at intervals to broadcast advertising. Gamers, in return, get to enjoy a longer-playing trial version or can obtain the more elaborate version for free. Casual gamers respond fairly favourably to this model.

Advergaming

Development and distribution of these games are financed entirely by a brand. Burger King's Sneak King game is a well-known example

Micro-transactions

Various additional game features are offered at very low prices. These may be supplementary levels, special items or ways to customize the game.

Skills-based games and tournaments

Participants in these competitions must pay a basic entry fee. The winner collects the total amount of the entry fees, minus an amount for the operator of the site. This model requires a very large number of players in order to be profitable. In order to be legal, the games must involve some actual skills, without which they would be considered games of chance.

Retail sales

Some casual games that have done well online are merchandised in the traditional manner in "physical" stores.

It all depends on the independent producer

An independent producer must personally assume the total cost of production. Gaming portals do not finance development, except for a very few (and very rare) expert developers with established track records.

Producers distribute their games through specialized portals worldwide. Sales returns are shared between the distributor (who keeps at least 50%) and the producer (who gets 20% to 50%). This means there is a substantial interval between the time when money is spent on production and the time when returns are generated. The degree of financial risk is high, since the producers have no real guarantee of recovering their investment.

Developing the business aspects of the game can be done from remote locations. But the game must be virtually complete in order to obtain a distribution agreement, and personal relationships are key. The main events where these key contacts are developed are [Casual Connect Seattle](#), [Casual Connect Europe](#), [Casual Connect Kiev](#) and [Casual Games Summit @ GDC](#).

The situation for free Flash games is somewhat different. Once again, the producers must assume all the production costs. However, they may then sell non-exclusive licences to as many portals as possible.

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Licensing fees can range from US\$500 to US\$40,000. The business end is developed in the same way as explained earlier, but it involves obtaining agreements with a larger number of portals. Developers must make allowance for the time it will take to accomplish this.

One option to consider is to employ the services of an intermediary firm such as

[Flash Game License.com](#). One advantage of Flash-based games is advertising content can be inserted. A producer can then generate additional returns with micro-transactions (such as additional game levels, which must be paid for) or self-promotions that direct gamers to some other website where the producer can generate additional revenue. It should be noted, however, that some portals do not allow advertising to be included.

Producers may also arrange sponsorships of their game by one or more of the casual game industry “majors” in return for visibility within the game.

A recent article on Gamasutra presents an [interesting overview](#) of the Flash games market.

Producers may also operate their own game sites. This option involves major investments of energy into marketing and promotion.

Opportunities for Independent Producers

A revenue stream in the making

A game that’s carefully targeted, well designed and distributed through the right channels can be a promising source of earnings. The game may be an independent title, or an excerpt from some larger, more complex game...or a tie-in to some other intellectual property. A game that’s successful may also become a promising source of revenue through licensing of subsequent versions.

A hot promotional tool

Casual games may be an extension of content that’s operated from another source. They make it possible for this content to reach new audiences. Self-advertising allows producers to promote their other properties.

Yes, it pays to advertise!

[MochiAds](#) and [CMP Stars](#) are two advertising networks that specialize in gaming. Both are worth considering as ways of generating returns.

The iPhone Market

Gaming on iPhones has become extremely popular. However, the number of games available is already very large, and it’s the major hits that are the main moneymakers. Producers can’t rely on the App Store alone. They must do their own promotion if they want to recoup their investment. The major video game publishers already hold a substantial share of this market. Be sure to read a series of articles about this on [Casual.gaming.Biz](#) and the study entitled [State of the iPhone Game Development 2009](#).

Other segments await you...

The video gaming industry has entered a phase in which genres are diversifying and new market segments are opening up. These trends are centering on the idea of casual gaming, and Wii has been a major catalyst. Other casual gaming genres worth noting include cell phone games, games for social networks (social games) casual massively multiplayer online games (MMOGs), digital distribution on gaming consoles (XBLA, PSN, WiiWare) and TVi.

Generating Revenue: How Casual and Interactive Games for Kids Can Make Money

By Pierre Le Lann

This wiki describes the most common revenue models for marketing children's online games. It identifies the advantages and disadvantages of each model, the kind of games that works best and the type of partners required.

Advertising

Advertising may include banners outside the game, sponsorship, or game-integrated product placement. What makes this distinct from the other models, is that it draws its revenues from businesses, (that is brands and advertisers) not the gamers themselves.

Advantages to Advertising

Unlike the subscription and micro-transaction models, which only monetize a fraction of the user base, advertising monetizes all gamers, including the 90% to 95% who like the game but are not prepared to pay to play.

Overall, it's simpler to generate revenue with this model than with the others because it does not entail the long learning curve required to convert players into subscribers (or payers). In addition, the variable revenues and costs - such as bandwidth costs and commissions to advertising networks - increase at about the same pace.

Game Projects financed by the Bell Fund are very likely to benefit from substantial traffic from the broadcaster. With substantial traffic, it is relatively easy to interest a game portal to add the game to its site network or use the broadcaster's sales force. This means the game can generate revenue relatively quickly.

Disadvantages to Advertising

To be viable, this model requires two essential elements: a sales force to sell the inventory to advertisers, and significant, constant traffic to interest those advertisers, with an absolute minimum of 100,000 unique visitors per month in Canada, and far more in markets such as the US.

Given current CPMs (cost per thousand hovering around \$5-\$8 in early 2009), a game has to generate millions of page views to start earning significant revenues.

In recent years, advertisers have seriously reduced online ads directed at under-12-year-olds for fear of media reprisals. The current economic situation, which is affecting advertising expenditures in all categories, is not helping.

Products that work best with this model

- Games with lots of repeat play that have the capacity to generate plenty of page views and unique visitors (such as arcade games)
- Games that feature well-known TV-series characters (with the attendant risk that traffic will decline drastically if these characters lose their popularity)
- Games that are part of a big game portal, or those that have the support of a TV broadcaster such as [Total Drama Island](#)

Required or recommended partners

- TV broadcasters or game portals (such as [Miniclip](#), [Zylom](#)). These partners have significant traffic and an integrated advertising sales force.
- Advertising sales rep firms that sell the inventory on your site for a commission. There are several specialized children's rep firms, such as [Gorilla Nation](#) or [Gofish/Betawave](#). It's possible to

geographically filter the game and limit the agreement with these firms to certain territories, especially in the case of a preferred relationship with a Canadian broadcaster.

Subscriptions

Subscriptions are often billed to the parents monthly, semi-annually or annually to allow full access to game functions and content. The most common monthly subscriptions for children's products are around \$5.95, with a few exceptions ranging between \$2.95 and \$9.95. Semi-annual and annual subscriptions vary significantly from company to company.

Advantages to Subscriptions

A subscription provides relatively stable, predictable revenue. Because the subscription is recurring, parents only need to be convinced to use their credit card once (unlike micro-transactions). Once they are signed up, a number of parents do not bother or do not take the time to unsubscribe even when their child is not active any more. This inertia effect increases the lifetime revenues generated from a subscriber.

Once the fixed costs are covered - beyond the break-even number of subscribers - the profit margins are quite high.

Some parents especially like the absence of advertising and are prepared to pay for this. Children like this "all you can eat" model because they have access to the whole game and don't have to make repeated requests to their parents.

Selling the game directly online allows the results to be constantly analyzed to improve the game and boost the conversion rate over time.

Disadvantages to Subscriptions

Children don't have credit cards, so either we have to convince the parents or we have to encourage the children to nag them.

Even though portals like [Runescape](#) and [Club Penguin](#) have shown that the subscription model can be very lucrative, they are the exceptions. It's much harder to convince parents to spend \$5.95 a month on a subscription than to buy a game for \$40 in the store. Parents are not likely to agree to subscribe to more than one game at a time.

To justify a recurring subscription, it is absolutely essential to continually update the game and add new content. This means that the game becomes a business unit in itself, with revenues and ongoing fixed costs (development of new game modules) and variable costs (bandwidth, customer service).

The annual operating cost of this kind of game can easily equal the initial development budget, so profitability depends essentially on the trial-user-to-subscriber conversion rate.

Products that work best with this model

- Massively multiplayer online games, or MMOGs, such as [Runescape](#), [Wakfu](#), [Fusion Fall](#)
- Virtual worlds, such as [Barbie Girls](#), [Pixie Hollow](#), [Club Penguin](#)
- Games for younger children, especially 3-to-10-year-olds, such as [PBS Kids Play](#), [Disney Preschool Time](#)

Required or recommended partners

- Traffic sources (portals, TV broadcasters)
- Payment companies that can process recurring credit card transactions
- Online payment and prepaid card companies ([Paypal](#), [Pay by Cash](#), etc.)

Micro-Transactions

This revenue model consists of billing the users - children or parents - but for much smaller amounts, from a few cents to a few dollars, for the use of specific elements. These elements vary in form but most are virtual objects, powers or specific functions, or access to game sessions or certain parts of a game. Users are

generally billed for the purchase of a certain amount of virtual money that the children can use as they play the game.

Advantages to Micro-Transactions

Micro-transactions monetize a bigger player base, especially those whose parents are not comfortable with the idea of recurring payments on their credit cards and those who like to alternate between several games.

This model provides a better balance between variable costs and revenues, because the most active players who use the most resources (bandwidth, new quests, new objects, etc.) are also the most prepared to pay for additional content or functions.

With prepaid cards that can be purchased in stores, such as the [Ultimate Game Card](#), this model gets around one of the major obstacles: the fact that children do not have credit cards. The prepaid cards can also be used to buy monthly game subscriptions but they are better suited to micro-transactions. This model works well for children who have an allowance and are allowed to choose how they spend it.

The cost of producing virtual objects is very low. Once the break-even point is reached - that is, when revenues cover operating costs - the profit margins are quite high.

Selling directly online makes it possible to constantly analyze results and improve the game and conversion rate over time.

Disadvantages to Micro-Transactions

With the micro-transaction model, it is even more important to constantly add new objects, powers, and functions in order to stimulate interest and purchases, so this kind of game demands continual reinvestment.

Creating the right “gameplay” and “game balance” to maximize revenue is a difficult art to master. Enough elements and functions must be available for free to offer a sufficiently stimulating game experience to those players who are sampling for free to make them want to buy their first virtual objects. It is a fairly complex process to achieve the gameplay and psychological satisfaction/frustration/desire balance that makes a sampling player a paying participant.

This model requires a good investment capacity, especially to assume the cost of hosting, bandwidth, community management, etc., particularly if the game becomes very popular but the right formula has not yet been found to convert the sampling players into paying participants.

Unlike subscriptions, this model requires the act of purchasing to be triggered repeatedly, so it is important to establish the idea of virtual money, in an account the user draws on and re-credits from time to time. Virtual money also reduces the impression of spending real dollars, especially if the dollar conversion ratio is not obvious.

Products that work best with this model

- Massively multiplayer online games or MMOGs, such as [Magi-Nation](#)
- Virtual worlds, such as [Habbo](#), [Gaia](#)
- Games for children and teenagers, especially age 10 and up, such as [Maple Story](#)

Required or recommended partners

- Traffic sources (portals, TV broadcasters)
- Payment companies that can process micro-transactions
- Online payment and prepaid card companies

Downloadable Games

The market for downloadable games is in full expansion. These are usually games that can be played solo or on local networks, but that are mainly downloaded through major game portals such as [Pogo](#), [Wildtangent](#), [Big Fish](#), etc. These games are often marketed by publishers who have marketing expertise [How to Drive Traffic by Marketing Digital Media Content] and established relations with the portals. Although

the CD-ROM market has experienced a significant decline in the last 8 years, the most popular games are also available in CD-ROM format and are sold in retail stores. Prices range between \$9.95 and \$19.95.

Advantages to Downloadable Games

Downloadable games do not need any updates or any additional content or functions, so the investment is basically limited to the production budget and finding a publisher. Having a highly successful game (over 100,000 units sold, for example) opens the door to getting additional publisher contracts.

Downloadable games often have limited budgets and fairly simple gameplay. The vast majority are solo games, so they are far easier to produce than massively multiplayer online games.

Unlike the retail end of the business, it's still possible to break into the market and become a game publisher. It's the quality of the game itself that determines the portals' interest, and they are generally fairly open to newcomers. But becoming a publisher demands an investment to build the distribution network and develop relationships with all the game portals, which are the Wal-Marts of the industry. This investment might make sense if you're planning to produce several titles.

Disadvantages to Downloadable Games

Even though the vast majority of titles - especially the most successful ones - are unbranded, this is unfortunately less true for children's titles, for which a strong TV brand is still important.

The conversion rate is low, especially for children's titles. At best 1% of trials lead to purchases.

This is a hit industry where a few titles are extremely profitable and the others generate modest revenues. Selection of the publisher and the relationship with major game portals are crucial.

The risk is much more limited than for an MMOG but the developer's share of the revenues billed to users is more limited as well. The developer of a self-financed game can expect to receive between 25% and 35% of the sale price of the game.

Products that work best with this model

- Companies with a limited budget or without the capacity for ongoing investments in the game
- Games that feature characters well known to children, such as [Totally Spies Academy](#)
- Solo games that do not require an internet connection, such as [Bob The Builder can do zoo](#), [Dora's world adventure](#)

Required or recommended partners

- Publishers (such as [Popcap](#), [Iwin](#), [Playfirst](#)) should be involved as early in the process as possible, since they can provide valuable advice on how to structure a game to maximize sales.
- Game portals, if you want to approach them yourself.
- The downloadable game industry is relatively structured. The best way to get into it is through [Casual Connect conferences](#) and the [Casual Gaming Association Linked in](#) group.

Retail Tie-In with Merchandise

In recent years, a growing number of hybrid products have appeared, usually combining a toy and an online game ([Webkinz](#), for example). Most of the revenues come from retail sales.

Advantages to Retail Tie-In

Parents are far more comfortable with the idea of buying a physical object in a toy store than an online subscription or virtual objects. Sales of online games for children are minuscule compared to in-store toy sales.

Store distribution, especially through major chains like Wal-Mart or Target, develops consumer awareness quickly.

Disadvantages to Retail Tie-In

A manufacturing-type partner like Hasbro or Mattel is a must. Creating toys or physical products for children, financing and managing production and delivery of inventory, and especially maintaining relationships with retail chains is a skill than cannot be learned on the fly.

The cost of making the toy and the margins taken by the distribution partners and retailers leave very little room to make the initial game investment profitable or provide funds to reinvest in the game.

The financial risk is very high. If the product does not sell in the first weeks or months after its launch, the retailers return it, which could signal the death of the product and the game. It is very hard to get a second chance.

If the product has some moderate success, the company is obliged to continue to operate the game for the people who bought the product in the store (Webkinz have a lifespan of one year, for example), probably at a loss.

Products that work best with this model

- Games for children under 10 who are not yet surfing the net alone, such as [Webkinz](#), [Littlest Pet Shop VIPs](#), [Bella Sara](#)
- Games that allow real interaction between the toy and the online game, beyond a simple access code, such as [Pixie Hollow Charms](#)

Required or recommended partners

- Toy company or manufacturer
- Possibly another type of partner with its own retail stores

More and more companies are combining several of these models. There's a major advantage in diversifying revenue sources and monetization methods. It should be remembered, however, that each of these models influences the game design, the user's experience and the marketing communications. You will build a different game experience depending on whether you want to sell a subscription to a parent, a virtual object to a child or a product placement to an advertiser. Pursuing several of these business models at once makes the game design and the market positioning far more complex.

Generating Revenue: Ad Agencies - What they Want. What they Offer.

By Will Travis

Say you're a content producer with some high-end travel content that seems like a perfect fit for a luxury car company. Kind of makes sense. Or maybe you have 'spring break gone wild' content that you think would be a perfect fit for that same luxury car company. Maybe you should do a little homework.

If you're a producer trying to figure out how to get your content to pay off by partnering with a particular brand for product placement or sponsorship, this is a short guide to helping you make it happen.

Step #1 - Do your homework

Who do you want to partner with and why? Do your homework on the brand. Find out whatever you can about their target audience. Are they young, old, rich, poor, farmers, urban hipsters? What makes them tick? Why are they a great fit for your content? This is probably the one thing that will make or break your pitch. Fit is everything.

But where do you find this kind of information? The best place to start is with the brand's web site. Judging the tone/look/feel and quality of the content should give you some insight as to who they're talking to and what's important to them. You could even do your own mini focus group. Gather a few people that you think fit the brand's target demographic and pepper them with questions - what are their likes/dislikes? What about your content and the brand seem like a good, natural fit? They may even be able to spark some new ideas for you.

Step #2 - Do more homework

Once you have the right partner in mind, you'll need to get in touch with someone who has responsibility for spending the marketing/advertising money that is tied to the brand. But you should probably avoid contacting the brand directly. Why? Because you're very likely to get one of two outcomes: no response, or a referral to the brand's ad agency. Save yourself some time and call the agency first. As 'brand stewards', they're the ones responsible for planning when and where their client's brand is seen and heard, how it gets communicated - and who should see it.

There are lots of people at the agency involved in making advertising happen. Don't call the agency president or their assistant. They are very busy people. The people you're after aren't actually any less busy, but they are directly involved in the day-to-day planning of how, where and when and brand's advertising budget gets spent. If you're looking for a brand for product placement or sponsorship, the media department is a good place to start. Find out who handles the media planning for the brand you're interested in partnering with. They're the ones that create the strategy for the 'when' and the 'where' a brand should be seen and heard. They determine what is and isn't a right fit for the brand and make the decisions about how much money should get spent on any particular medium - be it TV, print, outdoor, online, or any kind of 'new media'. You could also try talking to a strategic planner or the account director at the agency. They're the ones responsible for the overall strategic direction of a brand as well as the day-to-day implementation of the strategy. Rather than contact all of these people at once, you're better off starting with one person and trying to build a relationship that will get you in the door.

Whoever you end up connecting with, your goal is to get a meeting where you can come in and present your master plan.

Step #3 - Craft a kick-ass presentation

Before you pick up the phone or click the 'send' button to your new best friend at the agency, you need to finish Step #3: Craft your pitch/presentation so that it's tailored just for the brand you're speaking to. It's really important to keep in mind that agencies are masters at presenting. They live or die by their ability to pitch for new business and to sell their ideas to existing clients. And agencies get pitched to all of the time - it's likely there are lots of people that want to partner with the same brand that you're after. So your pitch will have to be professional, polished and very well thought out if you're going to make an impression on people who do this for a living. We're not talking a flashy 'used car salesman' approach here. Just a professional and insightful idea of why your content would be a great fit for the brand you're after. You don't need to be a

master showman — but you do need to show a real passion for what you're selling and why it makes sense for the brand. Keep it short, simple and to the point. Pretty pictures always help because shiny things easily distract agency people and help keep them focused.

People in advertising are generally pretty smart - and creative - so expect insightful questions. You don't need to address everything during your presentation/pitch, but do make sure you've got intelligent (and well-rehearsed) answers ready to go. You don't want to be fumbling for answers.

What about time and money?

Agencies are deadline driven. That's why everyone that works in the business has a really short attention span. Timing is everything. Again this comes back to homework. Agencies plan where the brand's money will get spent months in advance. It takes a long time to negotiate the best rates and placements, so they have to start early. You should allow plenty of time. four -6 months is probably good as a starting point. If you leave it any later than that, the money will already have been allocated elsewhere.

You can find some of the ad formats currently available to exploit in a handy list at the [Interactive Advertising Bureau](#), but we have listed some of the formats for quick reference below as well:

Bumper Ad - usually refers to a linear video ad with clickable call-to-action; format is usually shorter than full linear ads (i.e. 3-10 seconds) and call-to-action usually can load another video or can bring up a new site while pausing the content.

Companion Ad - both linear and non-linear video ad products have the option of pairing their core video ad product with what is commonly referred to as companion ads. Commonly text, display ads, rich media, or skins that wrap around the video experience, can run alongside either or both the video or ad content. The primary purpose of the companion ad product is to offer sustained visibility of the sponsor throughout the video content experience. Companion ads may offer click-through interactivity and rich media experiences such as expansion of the ad for further engagement opportunities.

Hot Spot - an ad unit that is sold within the video content experience. Mouse action over the video highlights objects that can be clicked. The click action generally initiates a linear video ad or takes the user to a website.

In-Banner Video Ads - leverage the banner space to deliver a video experience as opposed to another static or rich media format. The format relies on the existence of display ad inventory on the page for its delivery.

In-Page Video Ads - delivered most often as standalone video ads and do not generally have other streaming content associated with them. This format is typically home page or channel based and depends on real estate within the page dedicated for the video player.

In-Stream Video Ads - played before, during or after the streaming video content that the consumer has requested. These ads cannot typically be stopped from being played (particularly with pre-roll). This format is frequently used to monetize the video content that the publisher is delivering. In-Stream ads can be played inside short or long form video and rely on video content for their delivery. There are generally four different types of video content where instream plays: UGC (User Generated Content/Video), Syndicated, Sourced and Journalistic.

In-Text Video Ads - delivered from highlighted words and phrases within the text of web content. The ads are user activated and delivered only when a user chooses to move their mouse over a relevant word or phrase.

Invitation Unit - a smallish still or animated graphic often overlaid directly onto video content. Typically used as a less-intrusive initial call-to-action. Normally when a viewer clicks or interacts with the invitation graphic, they expand into the ad's full expression, which might be a simple auto-play video or an interactive experience; also commonly referred to as an Overlay Ad.

Linear Video Ads - the ad is experienced as in-sequence as part of the linear timeline as the content; the ad can be presented before, in the middle of, or after the video content is consumed by the user. One of the key characteristics of a Linear Video ad is that the user watches the ad instead of the content as the ad takes over the full view of the video.

Mid-roll - a Linear Video ad spot that appears somewhere in the middle of the video content.

Non-linear Video Ads - a Non-Linear Video ad product that runs concurrently with the video content so the user still has the option of viewing the content. Common Non-linear ad products include overlays which are shown directly over the content video itself, and product placements which are ads placed within the video content itself. Non-linear video ads can be delivered as text, graphical banners or buttons, or as video overlays.

Overlay Ad - an ad that appears in the bottom 20% of the video window. Click action generally initiates a linear video ad spot or takes the user to a website; also commonly referred to as an Invitation Unit.

Post-roll - a Linear Video ad spot that appears after the video content completes.

Pre-roll - a Linear Video ad spot that appears before the video content plays.

Rich Media - advertisements with which users can interact (as opposed to solely animation) in a web-page format. They may appear in ad formats such as banners and buttons, as well as transitionals (interstitials) and various over-the-page units such as floating ads, page take-overs, and tear-backs.

For a more specific information about Online Advertising specs download the complete PDF File at: www.iab.net/media/file/IAB-Video-Ad-Format-Standards.pdf

Regarding money, it's nearly impossible to quantify what's involved because every brand and opportunity is different. Are you looking to sell standard online ads on a site you created? Are you looking for a brand to sponsor your content long-term? The more targeted your content is to the brand's target audience, the more you'll be able to charge. For more general information about going rates on ads these days check out www.emarketer.com/Article.aspx?R=1007053. But remember, use this as a guide only - in this ever changing environment, nothing is written in stone.

Be flexible!

And last but not least one thing to keep in mind is flexibility. There may be opportunities with a brand that you haven't thought of but the agency already has in the works. So a partnership may take on very different dimensions than what you had in mind.

Generating Revenue: Ad Networks - What they Want. What they Offer.

By Julia Casale-Amorim

So, you're an online content producer. That's great! You've worked hard and churned out some fantastic work. They have built a following and now have a valuable audience of web users who frequent your site. What can you do to capitalize on those efforts? How do you take your content and user base and turn them into a revenue stream? A fresh, ever-growing base of content is vital to maintaining and growing your audience. To do that, you need reliable income. Where is that income going to come from?

Akin to television, radio and print media, advertising is a key source of revenue for online content producers. But you're in the business of production, not advertising sales. Moreover, you're an artist, starved for time and money. How are you going to find advertisers, sell your media and handle all the technical aspects of an ad-supported operation? Where are you going to get the technology required to manage the ad operations process, target your customers' ads, and provide the necessary reporting and invoicing? Sound daunting? Sound expensive? Well, it is, if you tried to do it all yourself. Here's where the convenience and practicality of an ad network comes into play.

What is an ad network?

In simple terms, an ad network facilitates the relationship between advertisers and web publishers by connecting available advertising inventory across multiple websites with paid advertising campaigns.

Ad networks are organizations that match publishers (that's you - Content Creators/Producers) who want to place ads on their websites as a means to generate revenue, with advertisers who want to expose their ads to users online.

Ad networks are charged with the responsibility of representing advertising space for a group of websites for the purpose of maximizing revenue and minimizing administrative costs through aggregation. The role of an ad network is to transact, serve, track and report the distribution of creative from advertisers to publishers using efficient, interactive, and optimized delivery.

An ad network performs two key functions:

1. Ad networks supply online advertising inventory to advertisers, facilitating the delivery of ads to their target audiences online.
2. Ad networks supply publishers with paid ads to fill their available online inventory.

So those are the basics, the Reader's Digest version, but now let's answer some of your burning questions:

How do ad networks work with content producers?

Most ad networks offer a turnkey solution that requires very little work on the part of content producers to launch their advertising program.

If your website has ad space built-in, i.e. your layout is formatted to accommodate the typical display ad formats or text links, then getting started with an ad network is as simple as getting accepted to the network and then incorporating their ad codes into the pages of your website.

How do I differentiate between ad networks? Which ad network is best?

A broad spectrum of options exists. Some specialize in the monetization of niche content and can accept websites with even the smallest of audiences. Others specialize in the monetization of general interest content and may have minimum audience-size requirements. The listing below covers a representative cross-section of the ad network options available to you:

Ad Network Websites

- www.advertising.com
- www.burst.com

- www.casalemedia.com
- www.google.com/ads
- www.tribalfusion.com
- www.valueclick.com

Below are a few common categories for differentiation between Ad Networks.

Ad Networks Acceptance Criteria

These are the baseline requirements for acceptance to the network to which you have selected. There are no standards for acceptance criteria and some vendors have limited or no criteria for acceptance. The most common criteria categories include:

- Website traffic - When minimums for website traffic are stipulated, they most commonly fall somewhere between 10,000 and 25,000 unique monthly visitors
- Traffic source - Networks require that the traffic to your website be natural and authentic, i.e. not generated through the use of artificial tactics including unsolicited bulk commercial emailings, instant messenger postings, listings on newsgroups, etc.
- Content quality - In general, ad networks will not accept websites that contain or link to content related to anything that could be considered adult/suggestive, profane or illegal
- Production quality - Easy to navigate, uncluttered sites that load quickly and that are well laid out will rank highest in ad network application reviews
- Advertising inventory - This refers to the selection of ad units supported by your site (e.g. banner sizes, text links, etc.), the number of ad units per page (e.g. a few well positioned high impact ads or a site cluttered with advertising), and the positioning of ads on each page (e.g. above or below the fold, wrapped in content, etc.)

Advertiser Selection and Publisher Control

The roster of advertisers can change dramatically from one network to another, ranging from small, local advertisers (e.g. small web-based businesses, mom and pop shops), to well-known international brands (e.g. Bell, BMO, GM, UPS, WestJet).

The degree of control publishers have over the ads delivered to their websites depends largely on the technology used by the network with whom they are partnered. Common publisher ad controls include:

- Content group: restrict the content theme of ads delivered to your site (e.g. alcohol)
- Advertiser: restrict the advertisers eligible to place ads on your site
- Campaign: review individual campaigns to determine their eligibility for delivery to your site

Publisher control over the advertiser and ad selection is especially important for Producers of Kids/Family content that might want to avoid allowing inappropriate messaging on their websites.

Revenue Model and Payment

Most ad networks operate on a revenue-share basis, where the fee advertisers pay to place ads on your website is split between you (the publisher) and the ad network. The split can range anywhere from 40% to 70% (to the publisher).

There are three standard payment models:

- CPM (cost per thousand impressions): publishers are paid for every thousand ad impressions delivered
- CPC (cost per click): publishers are paid a dollar value for every ad click delivered
- CPA (cost per action): publishers are paid for every action (e.g. sales lead, online purchase) delivered

The CP(x) value you can earn depends on many factors, including the ad unit(s) you support (i.e. text link, banner, rectangle, pop under) the type of content on your site and the audience you attract (and the corresponding advertiser demand for that content/audience), and the performance of advertising placed on your site (e.g. the number of clicks or actions generated).

Payment cycles can vary greatly from one network to the next. Net 30 days is considered standard.

Ad networks provide publishers with a web-based account interface that enables them to track their daily earnings and other statistics related to ad delivery. Through the interface, you should be able to specify details such as payment method and manage your account information.

What are the key benefits of working with an ad network?

In a sentence: a convenient, sensible, and easy to implement revenue stream. Generally speaking, it costs you nothing to partner with an ad network and once you're up and running, payment is guaranteed. The network does all of the work for you and bears all of the risk. They find the advertisers, manage the relationships, invest in the technology, setup the campaigns, do all of the targeting, tracking and bill collecting. All you do is incorporate the necessary ad codes into your website and then focus on what you do best: producing current, relevant and interesting content.

Of course, keeping track of your success depends on the service level you have agreed to. Service levels can range from full account service to self service. Self service is considered the standard model in the ad network space. Once a website is approved the network and the applicable ad codes have been incorporated, there is virtually no work required on the part of the publisher to earn revenue. Some networks offer a hybrid approach where large publishers with significant levels of traffic (i.e. >100,000 unique monthly visitors) receive full account service while smaller publishers with more straightforward needs are self-served.

What are some of the challenges of working with an ad network?

Probably one of the biggest challenges to working with a network is deciding on the one that is best suited to satisfy your needs. No two networks are created equally; each has its own unique mix of technology, advertisers, payment and tools/resources. Some work better with niche content, while others are more effective at monetizing broad mass appeal content. Some specialize in monetizing the short tail (i.e. homepage/first or early impressions), while others do better in the long tail space. See below for some tips on selecting the right network for your website.

As noted above, networks service the majority of their publishers by automated means and by supplying a variety of self-service tools. Support inquiries are typically handled via email. It is not standard to get a direct line to support personnel (unless of course you are a full-service account). This can be especially frustrating for publishers who are new to the ad network space and who require introductory guidance and advice. Luckily, there are many reputable and highly informative online resources (see list below) that publishers can leverage to help supplement the self-service approach. Keep in mind that exclusivity is rare in today's ad network landscape. Publishers are free to partner with any number of ad networks and can stop delivering a network's ads at any time. Most ad network/publisher relationships are open and flexible and do not involve contractual delivery obligations from either the network or the publisher. This is not to say that such obligations do not exist. As with any contract, always read the fine print and know what you're getting involved in ahead of time.

How do I select the right ad network?

Evaluate your audience and content specialty first. If your site covers a focused, niche category and your audience is relatively small, i.e. under 10,000 unique monthly visitors, then you will have greater success with a contextual or keyword based ad network with a massive advertiser roster.

On the flip side, if your site attracts the online population at large and has a relatively large user base, then you're best to start with a horizontal web display network. For sites that fall in between these two extremes, you may want to experiment with a few different options to find the right fit for your audience and content. For example, if you're a mid-large sized website with a vertical content focus, you may want to test a combination of vertical and horizontal networks before making a determination.

Whomever you select as your primary partner, to monetize 100% of your inventory you will likely need to partner with more than one provider. It's important to keep in mind that secondary providers receive secondary inventory on your site. If you plan to test more than one vendor, make sure you test them in identical setups, otherwise the results will not be representative and you may undervalue

Where can I go for more information on ad networks?

There is a great selection of useful online resources that cover the topic of working with ad networks to monetize web content, some of which are listed below. Another great way to get up to speed on your options is to review the offerings presented by a cross-section of different networks (listed above). A quick visit to their websites will cover information on their differentiators, acceptance criteria and application protocols.

Useful Online Resources

- www.sitepoint.com
- www.geekvillage.com
- www.webmasterworld.com

Ad Network Glossary Terms

Available Advertising Inventory

Unsold impressions for each ad unit (e.g. banner ads or text links) available on your website.

Paid Advertising Campaigns

Advertising you allow to run on your website in exchange for payment. Typically, advertisers pay publishers for exposure to their advertising on a CPM (cost per thousand impressions) basis.

Publisher

The website owner/operator or individual responsible for monetizing the website's advertising inventory.

Ad Codes

Ad codes are the mechanism by which an ad network delivers advertising to ad space on a publisher's website.

Contextual (Keyword) Ad Network

Primary means of ad targeting is via keyword matching. Most commonly supports text ads. Work well with low traffic, niche audience publications.

Horizontal Web Display Network

Targets and optimizes the placement of ads using hundreds of different variables. Most commonly supports banner ads. Work well with high traffic, broad audience publications.

Ad Units and Formats

The term ad format refers to the type of ads offered by an ad network, e.g. .gif, Flash, in-banner video, in-stream video, rich media, text, etc., while the term ad unit refers to the dimension of the ad (see chart below):

Ad Unit	Dimension (pixels)
Leaderboard	728x90
Big box	300x250
Skyscraper	120x600
Wide skyscraper	160x60

Generating Revenue: Using the Brand

By James Milward

Interactive is changing: digital companies are blurring ideation, strategy and execution, coming into projects earlier and moving outside their traditional remit to provide creative, broadcast production and strategic expertise that increase brand experience and audience relationships. For entrepreneurs, “hybridization” offers the opportunity for interactive producers to evolve into creative partners who can expand their offering into multiple revenue streams. In a rapidly fragmenting media landscape, wide ranging expertise is immeasurably valuable in providing a creatively coherent, one stop solution for brands, broadcasters and traditional media producers.

To accomplish this, you must work with design, motion graphics, technology and film production and be able to provide strategic consulting to create awesome ways to make ideas and narratives more compelling.

Approach projects holistically as opposed to being focused on simply building a website or interactive application. This means extending a central idea beyond interactive and into branding, the open title sequence, show packaging, motion graphics and even CGI, sometimes filming additional sequences, (e.g. dramatic re-creations,) all of which can be conceived and created to align with the TV show’s narrative and style to create an integrated, multi-platform, immersive experience.

Essentially what this comes down to is thinking about packaging the TV show and creating a ‘brand’ out of the project. This means identifying the characteristics of the audience and the vehicle, (or the network), and creating a fully formed ‘brand identity’, which like any good brand, evokes a positive emotional response, around the property. The idea is to infuse all aspects of the project with a unified approach that opens doors and ultimately helps to create a clear and attractive property to advertisers and sponsors. A recent example of branding and sponsorship is our work with the Travel TV series *Departures*, currently entering its third season of production for OLN, CTV and The National Geographic Channel around the world. Working with producers and broadcasters, we took the show’s brand identity, embodied in words like ‘hip’, ‘aspirational’, ‘edgy’ and yet ‘real and approachable’ and with this tone created an online extension which closely matched the identity of the ‘brand’. As a result we have had huge responses from sponsors who are investing in it, as well as contributions of in-kind travel, accommodations, and gear or equipment, totaling currently between \$30,000 to \$60,000 in direct support. From a broadcaster point of view, our aligned online / broadcast promotion and interactive initiative has been valued at between \$250- 500,000 in overall advertising and sponsorship revenue.

Another example is Secret Location’s recent work with Vision TV’s “[I Prophecy: The Future Revealed](#)“. We were involved from the outset (even before several of the strand’s TV producers were involved), which allowed us from an interactive production standpoint to pitch and win the concept/production for the large-scale opening title sequence and on-air package branding. Collaborating from an early stage means we usually have first shot at getting our ideas to the producers and broadcasters, greatly enhancing our chances of those ideas being favoured and ultimately purchased, creating peripheral elements and revenue. We also worked with one of the show’s producers to conceive and then create special effects and CGI for numerous TV episodes. Additionally our original dramatic re-creations, produced independently for the website, were licensed from us to use in the TV show. This ‘up sell’ created an additional budget beyond the Interactive component, ultimately providing more revenue and impact for Secret Location.

That integrated, early-bird approach allows you to work closely with the TV show’s director to shape the show branding that can result in impacting the style and aesthetic of the titles, packaging, shooting style and the way the network sells the show to sponsors and advertisers.

The result is a creatively more fulfilling process and project for the new media producer, a better, more integrated solution for the client and a progressive business model that generates more revenue from a wider offering:

1. Approach every project holistically. View yourself as an equal creative partner, not just the ‘website people’.
2. Up sell yourself. Expand your capabilities beyond traditional interactive into other disciplines. Think of the project as an opportunity to work closely with the television show producers to develop both the show itself and the site rather than just extend or work with their existing content.

3. Keep your ears and eyes open for added needs from your client beyond interactive. Present opportunities for your services in more areas, creating a more diverse business model.

How Much Money Can You Make?

This depends on your company's capabilities and your creative range. With a large-scale project with numerous elements (all of those we've mentioned earlier), we've had additional budget lines totaling as much as \$90K. With projects comprising only a selection of the aforementioned elements that could still add \$20-30K.

Generating Revenue: Mobile Distribution

By David Plant

What is 'mobile' and as a content rights holder, why should you care?

Everything that is not physically connected to a network is mobile. Stop thinking about your website as a fixed destination like a tv channel that is watched at home; it is as mobile as your audience's ability to connect with it. For example in Canada, your cellphone is mobile by definition and uses either the CDMA (Bell, Telus) or GSM (Rogers, and 80% of the rest of the world) cellular network to connect for voice and data, and if it is WiFi enabled through the Super-High Frequency radio spectrum.

Your laptop is mobile if it has a wireless network card or a cellular Aircard (both of which you can also use to make a phone call using a headset and VOIP). So basically, you can connect to the internet either way and you can make a call on either device. One is much smaller and designed principally as a communications device, and the other has much bigger memory/computational power and a much larger screen with more real estate.

Smartphones like the iPhone, the Blackberry, the Palm Treo, and the new Google Android phone continue to break down the distinction between a laptop computer and a phone. As more and more of them enter the market, the ability to port the rich media experience of a broadband streaming media website to a handset becomes seamless. But the ad-supported broadband business models are not so seamlessly ported to the carrier networks. Carrier platform, corporate policies, network capacity, distribution of handsets, coverage areas and possibly regulatory issues are all factors to be considered.

So why should you care about mobile content rights vs. broadband content rights? Because being mobile represents the future of your online revenue, and unlike the online world where essentially everything that can be seen on screen can be acquired for free, it is in the interest of every mobile carrier worldwide to provide controlled access to its network. This ability to white list¹ your content on a carrier represents an advantage that doesn't exist in the open web, and is similar to getting picked up by a TV network. It will be some time before the mobile network walled garden² breaks down. Even if you access the web through the mobile browser of your phone, the network operators will control which sites and how much of the content you will be able to access.

This controlled access doesn't however translate into big bucks unless you already have a hit property with a cell phone voting or SMS component built in, like some of the talent contest shows or certain sports or awards events. Today you need to think of mobile revenue as ancillary revenue, but like merchandising revenue, it could grow to become one of the most important ways for you to maximize your library and grow your commercial relationship directly with the members of your audience.

What are mobile networks and what do they mean to your bottom line?

Mobile networks are closed networks, and going mobile is not as simple as creating a mobile game or application. Even if you don't need a development partner, you will likely need a porting partner³ and a distribution partner. Forget about license fees unless you are the number one television series, world event or factual series in the world, and don't expect minimum guarantees of revenue from a carrier or distribution partner until you have established consistent and sustainable mobile take-rates from your audience. So far, no one except a few top platform game publishers with top-performing titles on Playstation, Xbox and Nintendo consoles (and one or two Not-Safe-for-Work content owners - which responsible Canadian aggregators and carriers won't touch) have been able to do it consistently. Remember that because of data charges at the end of every month, your audience will know exactly how much it costs them to enjoy your content, in addition to their cellular subscription, application cost or content subscription fees, and they will value it accordingly. It must be small enough to be affordable, and valuable enough or time critical to them personally, to be worth it. This is at least until advertisers step in to offset the cost, and carriers set reasonable all-you-can-eat mobile data plans in place.

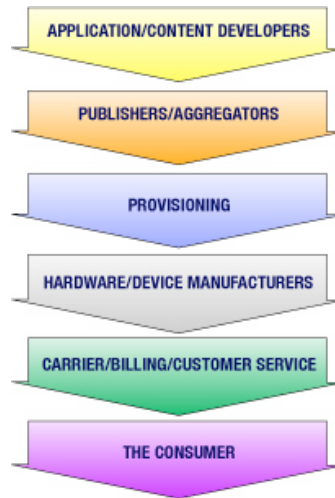
Where Canada Ranks

Canada ranks poorly in mobile phone penetration at 61.7 per cent (the States is at 83.5 per cent, Mexico at 62.5 per cent and many European countries, such as Spain, Italy and Ireland are home to more cell phones than people with penetration rates over 100 per cent. Italy has 153% penetration with many Italians having 2

or more phones). Nevertheless, it's not impossible for an independent Canadian producer to make money through distributing content to mobile devices, but it takes a specialist's knowledge of the market, the technology, the handsets, and access to the appropriate partners with access to global markets and content that will have a global audience.

So where does your content fit in?

The mobile content distribution chain is currently comprised of the following participants:



Mobile Content Distribution Chain

Application/content developers:

In order for the content rights holder to get revenue from the consumer they must first be on-the-deck, available to be found through the WAP (Wireless Application Protocol) portal of the carrier network on a subscriber's handset, or be enabled on the carrier's mobile browser. A [WAP browser](#) provides all of the basic services of a computer based [web browser](#) but simplified to operate within the restrictions of a mobile phone, such as its smaller view screen. WAP sites are [websites](#) written in, or dynamically converted to, [WML](#) (Wireless Markup Language) and accessed via the WAP browser. These include interactive feeds such as email, news, stock market, and sports updates, or music downloads where user interaction is required. A carrier will select and decide which order these are presented to a user on their phone like cards in a deck, so position 'on-the-deck' is often a key component to how many users find their way to your content.

Because the network operators differentiate their service offerings, some content will be featured more prominently than others, and some content that is available on the web will be blocked. This has a specific impact on its ability to generate revenue. Most Canadian carriers are carrying content based on channels like The Weather Channel, Sportsnet, TSN, CTV NEWSnet, Newsworld, Much, and MTV, or applications like Facebook, MySpace and Flickr. Some shows are exclusive to specific carriers, like Canadian Idol, which is on Telus, or Kenny vs. Spenny on Bell.

Publishers/Aggregators

Content rights holders will deal with a publisher or aggregator, most often on a shared-revenue basis. Aggregators have contractually-defined relationships with the carriers, to ensure that the content delivered is compatible with the carrier's environment and deployed handsets to ensure a standard quality of service. There has been a lot of consolidation in the marketplace over the last couple of years, but large international players like EA Mobile, Gameloft, MobiTV dominate the North American market along with companies like WirelesStudios, Oplayo, and numerous others who have a foothold in Europe. Even large international rights-holders (like Endemol, IMG, and ITN) will find that having an aggregator with carrier relationships in a given territory or market will increase the likelihood of generating mobile revenues in a given market.

Aggregators will use the services of a provisioning partner (see definition below) as part of their contribution to the value chain.

Provisioning Partners

Provisioning and porting companies (like Quickplay, myThum, MPP etc.) ensure that the content (video, games, etc.) is properly configured and delivered to the end-user handset so that the user experience is correct on each specified device in a given carrier's network. Provisioning companies will also provide an interface to the carrier's billing systems and ensure that the user commands from the handset are properly interpreted. To accomplish this they need to work closely with OEMs (Original Equipment Manufacturers; they assemble the handsets for the manufacturers), OS developers (programmers who specialize in Operating Systems: Apple iPhone Operating system firmware version 3.0, Blackberry API's) and handset manufacturers as well as the carriers. This is most often done on a fee-for-service basis. This cost is borne by the content provider/aggregator or the carrier. In some cases, it can be done out of shared revenue.

Hardware/Device

Handset manufacturers and OEMs produce devices configured specifically for a particular carrier's market and network environment (i.e. Rogers 3G iPhone) with certain features locked or unlocked. In some cases, it can be possible for content developers to deal directly with a handset manufacturer to brand a phone with content (Sony Ericsson's Quantum of Solace phone or their recently announced Facebook phone), but this must be part of a much bigger sales and marketing effort.

The Carrier

The next and most significant player in the distribution chain is the carrier. The carrier owns the network but more importantly owns the billing relationship with the customer. For this reason, they have traditionally charged 70%-80% of gross revenues on downloaded content. Tracking and accounting for the individual subscriber's activity is a costly business, with so many different data plans and handsets in the market. Even with a consistent platform, Apple charges 30% for every application a developer wants to place in the App Store.

Sources of mobile revenue

1. Shared-revenue vs. license fees

Based on the above breakdown in the value-chain, it is not uncommon for a deal with the content rights holder to be done on a 50%-50% share of net revenue on the proceeds with an aggregator/publisher after dividing the gross revenue with the carrier and paying for the provisioning of the content. If you can generate 5000 downloads per month at \$7.99 per download (as is the case with some highly-rated TV game shows on Canadian carriers), then your share of the revenue will be \$3,000-\$4000 per month. If you have paid a developer \$10,000 - \$20,000 to develop your application you will need to be in the market for 4-5 months to break even unless you are working with a partner with multiple carriage deals.

To expect a content aggregator or a carrier to give you a minimum guarantee to cover all of your development costs is a tough sell. Carriers have no need to pay minimum guarantees and aggregators are in the same boat as you, the rights-holder, in that they have to create enough interest for all of their products to justify an ongoing relationship with a carrier.

You can try to omit the aggregator from the equation, but you had better be as popular as Canadian Idol or the NHL in order to get the attention of Canadian carriers since the take-rate will still be in the tens of thousands per month range. As is always the case, US carriers can expect to generate approximately 7-10 times the numbers as in Canada, and European carriers will generate higher numbers than that for the right international properties based on a higher penetration of Smartphones and a propensity of their populations to use them over fixed broadband.

Gross revenues on top-rated mobile games (like Endemol's Deal or No Deal) in Canada can average 3,000 - 5,000 downloads per month at a price point of \$7.99 a download. Top Canadian television series with mobile games and a network deal in the US, could possibly net approximately half that volume. Pricing is fluid, and because of the quick tail-off of downloads during the first three months, there is some strategy needed to adjust pricing over time. People want free content and know how to get it from other sources. For this reason, most deals are done on a shared-revenue basis. There is no justification for license fees or

minimum guarantees to the content owner until the content has established a consistent take-rate in the market. Even top international sports properties have yet to prove themselves in North America.

The days of making money by creating a cheap ringtone or wallpaper and charging \$1.99 to download it are over. Some call those days Mobile 1.0. Frankly, unless you have already got some experience with iTunes and the App Store, you are likely coming late to the party. Recent data shows that the Apple iTunes App Store has jumped from 15,000 to 25,000 apps in just the last three months. Top-rated games and applications are averaging about 5,000 downloads per month for the first two or three months, but that after downloading, users are returning to them only about 16 times on average. At \$0.99 per application, or free, the model is not likely to be sustainable for very long - ad-supported or not.

The key to success remains having a recognized brand. Obviously dealing with a partner that can deliver content to multiple mobile carriers abroad will dramatically increase your net revenue over sticking to the domestic market. In that respect it is no different than television.

2. On-deck vs. off-deck

Today carriers like Bell, Telus and Rogers are interested less in being content providers than being providers of high-value data services like must-see video (breaking news, sports instant-replays, catch-up video) and real-time social networking and chat which incorporates pictures, video and SMS. To get their attention and space on their deck (within the top selections they present to the subscriber's handset), you must provide some indication that your audience is sufficiently interested in your content or your community to be featured on their platform. You can also create an M-site or mini-site that is stripped of much of its rich media content to make it more efficient and fast loading, in order to make it accessible from the majority of phones. Many video content providers will use a service provider like Quickplay to deliver their video to the greatest number of video-capable handsets, but it is still possible to encode and deliver video to a particular platform like Blackberry or iPhone yourself. You can also put out your content for free on mobile by making it available through Youtube, and then hope to take a share of whatever advertising revenue Google generates.

The advantage of being within the carrier "on deck" is that the charges for delivering the content, say NHL Center Ice, can be incorporated into the billing plan and data plan offered by the carrier, and they can ensure that heavy users will not be subject to extra charges, if they are Center Ice subscribers. If you opt for an off-deck strategy you can be accessible to anyone regardless of who their carrier is, provided of course that they have a data plan or data roaming plan that can accommodate what they wish to consume. The more bandwidth your content requires, the higher their bill will be at the end of the month. Witness the oil-rig worker in Alberta who ran up a bill for \$85,000 in a month by using his cell phone to connect his laptop to the internet and then downloaded movies.

Being on-deck ensures that you have a quantifiable addressable audience, which is essential if you are trying to get sponsorship or ad-support for your content. Being on a major carrier increases your credibility and ensures a higher quality of service and more importantly, gives you the data that will be necessary to audit for your shared-revenue distribution with other partners. Some content providers and aggregators will use a hybrid of the two in order to reach the widest number of handsets. You can also generate data through the M-site host or provisioning partner, but in order to generate sufficient traffic you will need to independently promote and advertise the address to your intended audience, and warn them about the need for a sufficient data plan. Fixed rate or all-you-can-eat data plans are more common in the US and in Europe where the sheer number of active subscribers means that the very few who consume huge amounts of data are offset by the majority who don't.

What's next?

Grouping content, creating thematic channels or mobile channels organized around brands seems to be the trends that are developing. Think 'specialty channels' for mobile content based on your own content brand or category. The mobile carriers, unlike their cable and satellite counterparts, will not be inclined to get into a tiered service offering or give away a per sub fee, until they have established that there is a high demand for the content. Instead, however, they will be willing to let the rights-holder retain 100% of all sponsorship or advertising revenue with a brand partner who wishes to underwrite some or all of the costs to the end-user.

Some revenue models we see are related to geo-specific or GPS location (the Tim Horton's locator - 'Timmy Me' for the iPhone) or opt-in alerts, sponsored contests or mobile couponing (Toronto Maple Leafs Player of the Game voters being rewarded by a discount for sporting goods or hockey tickets which is delivered to

their phone and redeemable at the cashier). Some of these opt-in applications in the UK are generating conversion rates to sales in the 20-30% range for redemption of CD's and DVD's at HMV in London during certain campaigns. In a few limited trials in Canada, Statsfone has seen even higher rates for sports. Compare this to a 1%-3% conversion by snail mail or email coupons. If the rights-holder can divide features of the mobile user experience (video sponsored by, alerts sponsored by, game or interactive application sponsored by), then they can create a mobile user experience that is greater than the sum of the television and broadband experience combined.

Imagine being able to keep all of the advertising revenue associated with your audience and retain a direct relationship with them by providing services to them wherever and whenever they happen to be, regardless of a broadcast program schedule and without them needing to sit in front of their computer or tv screen. A truly portable media experience. This is likely within the next three years for sports and entertainment brands, and within the next five years for lifestyle and how-to/DIY, we believe.

¹ **“White list”** - A whitelist (or white list) is a list or register of entities that, for one reason or another, are being provided a particular privilege, service, mobility, access or recognition. As a verb, to whitelist can mean to authorize access or grant membership. In the case of the mobile web, mobile network providers may choose to limit access to streaming media websites (as Telus does for Youtube), or to provide access to sites on an exclusive basis as determined by the individual carrier.

² **“Walled garden”** (protected environment, controlled access; refers to a closed set or exclusive set of information services provided for users (a method of creating a monopoly or securing an information system). This is in contrast to providing consumers access to the open Internet for content and e-commerce. The term is often used to describe offerings from interactive television providers or mobile phone operators which provide custom content, and not common carrier functions. This is also done on a negotiated basis based on available rights (different from whitelisting), as exemplified by MobiTV's carrying only certain channels in Canada.

³ **“Porting partner”** a porting partner is a third party supplier of services to mobile content holders who ensures that the content is properly configured to the handsets supported by a particular mobile carrier. The choice of which porting partner is largely determined by the mobile carrier based on their own quality assurance and application testing process, which is shorter for suppliers who have already been certified by them.

⁴ **“On-deck”** refers to the placement of content or presentation of multimedia applications by the wireless carrier in their WAP portal (Wireless Application Protocol). The WAP portal or “deck” (nicknamed for its similarity to a deck of cards, and the luck of the draw) allows content to be presented to the handset with the minimum amount of user intervention. It allows users to scroll through a hardcoded homepage list of choices on their phone, which has been optimized for the particular carrier's environment. The choices and order that these are given are determined solely by the carrier. By contrast, “off-deck” means that the user is required to actively enter a URL into a form using the phone's keypad (which can be tricky if symbols are incorporated), the content is filtered through a gateway that converts content to WML (Wireless Markup Language or XHTML Mobile). If the site is not properly optimized, the page will not display correctly, or certain features will not function.

Generating Revenue: e-Commerce

By Marc Levasseur

Marketing tie-in products for television content with multi-platform extensions can be very rewarding but there are a few simple steps that you can follow so as to avoid costly mistakes.

Although many producers may be familiar with ways to distribute their content or boost user traffic in order to sell advertising, sell their games or sell the CDs and DVDs associated with their productions, T-shirts, stuffed toys and other tie-in products can also be a great source of revenue... provided that you plan your production and sales the right way.

Tie-Ins: The Basic Ingredients

In order to be able to produce tie-ins, a producer must retain the rights to royalties from the production when negotiating with any distributors, broadcasters, co-producers and other financial partners. These rights allow the producer either to sell or personally manage the production and sales licences for tie-in products derived from their property. This is called operating or exploiting a brand - a business concept known as [merchandising](#).

Needless to say, the more popular a property (brand) is, the more possibilities there are on a large or small scale for further success...and additional profits.

Let's take a look at a few examples where producers decided to see what merchandising could do for them.

Marblemedia, a Toronto-based company, recently launched two lines of tie-ins - mugs and T-shirts - with images of the main characters from the series *This is Daniel Cook* (www.thisisdanielcook.com) and *This is Emily Yeung* (www.thisisemilyyeung.com).

Manufacturing, distribution and sales of these tie-ins were outsourced to the specialty website Cafepress (www.cafepress.com) which handles online merchandising operations for the Daniel and Emily websites.

The formula is simple. Cafepress prints the characters' pictures on sweaters, mugs and other generic objects, and then sells these online through "Merchandise" links specifically dedicated to these product lines on "Shop" sections of their respective websites.

(See <http://www.thisisdanielcook.com/grown-ups/shop.html> and <http://thisisemilyyeung.treehousetv.com/grown-ups/shop.php>).

These are complete, one-stop hosted showrooms, each with its own URL address and all the tools required to manage these kinds of online sales.

Cafepress takes care of everything: manufacturing of the tie-in products, storage, processing of orders and payment. All producers have to do is select the items they want to have printed, supply a graphic file of their brand's image (a character, animal or decorative element), decide what price they want to charge for their mugs and T-shirts, and place hyperlinks to these online shops on their own websites. This exercise can be quite profitable. If, for example, Cafepress charges \$7 to cover its production and operating costs on every T-shirt it sells, the producer can decide to sell the shirts for \$20... and pocket \$13 for every item sold.

In terms of sales volume at these online shopping pages, this case proves that it's definitely the original brand (like a TV series or interactive production) that attracts people who want to buy. Over 75% of sales on the *Daniel Cook* and *Emily Yeung* shopping pages come from visitors who found the Cafepress site through the hyperlinks placed on the websites for the original series.

Do It Yourself?

An alternative to using services like Cafepress is to manage the merchandising internally. For example the huge success of *têtes à claques* (TAC) and the characters on the online shows at www.tetesaclaques.tv lent themselves particularly well to efforts to generate sales of the tie-ins derived from these characters. Dolls

and various other items picturing the popular TAC characters were manufactured, distributed and sold. The tie-in business, however, was managed internally. But according to the producers of TAC, this was a major learning experience: it was very demanding and risky. Here are several things a producer must pay special attention to:

- Make sure you know how long it actually takes to manufacture the products you want to sell. A custom-made doll, for example, can take up to a year to produce.
- Make sure quality materials will be used that comply with applicable government rules and standards (avoid any toys that may be painted with lead paint). For information about Canadian regulations, please see:

http://www.hc-sc.gc.ca/cps-spc/pubs/cons/toy_safe-jouet_secur-eng.php.

- Make sure you understand the annual merchandising cycles and plan your product releases with these in mind. Small producers normally try to avoid competing with releases by the major American brands. You must also be able to sell your products at a competitive price.
- Make sure you know who your partners are and be very careful about how you award merchandising licences. Beware of any supplier or distributor who offers to buy all your tie-ins. Someone who specializes in gift mugs isn't necessarily the ideal choice for making and marketing figurines. The right way to develop your brand through various tie-ins is to sell separate licences to partners with established reputations in each of the niches you're targeting. The rule is: "To each his or her own niche!"
- You must also be prepared to manage inventory, process orders, handle various methods of payment and process returns of merchandise. To simplify matters, you can also outsource these aspects to specialists who already operate an online shopping business, such as MPV Productions (http://www.kafkaboutik.com/html_fr/Accueil.asp), Zazzle (www.zazzle.com), Jiinx (www.jiinx.com) or Animationshops (www.animationshops.com).

Given strong audiovisual or interactive content, tie-in merchandising obviously can extend the original brand. But tie-ins must be treated as an entirely separate commercial activity because they're subject to rules that are totally different from the ones most content producers are used to. It probably makes more sense to do your homework and consult the experts before jumping head first into a venture of this sort.

A large number of companies that manufacture tie-in products are listed on the Canadian Toy Testing Council website and on importers.com

Producers who would like to sell directly from their own websites should also consider the cost of an online resource that makes this possible (costs and time vary with demand), as well as the costs of inventory planning and management, registration with agencies that handle online payment, such as Visa and MasterCard, not to mention methods of secure payment (there are some ready-made solutions such as Paypal (www.paypal.ca/) or GoogleCheckout (checkout.google.com/seller/fees.html) and sales taxes (www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-fra.html).

Using a Distributor

Some distributors have their own in-house merchandising department and can work with producers engaged in tie-in ventures. One such distributor is CBC/Radio-Canada, which in some cases adds a merchandising component onto its traditional negotiations for television broadcast licences and web productions.

Cuts of the tie-in pie are negotiated separately with the producer if the broadcaster believes a production on its airwaves has strong merchandising potential.

CBC/SRC has its own network of manufacturers, and manages distribution through its own nationwide chain of shops and boutiques, as well as the shopping section on its websites, where various tie-ins are sold from shows produced or aired by Canada's public broadcaster. (Please see http://www.cbcshop.ca/CBC/shopping/product.aspx?Product_ID=FTSRC00480&Variant_ID=FTSRC00480&lang=fr-CA.)

One example of these is the tie-in associated with the children's show Toc Toc Toc produced by the Montreal-based Téléfiction company. This highly popular show for children ages 5 to 6 features the

character Grubule, a little mouse with a huge following among the target audience of young kids... and an ideal subject for a stuffed mouse toy. The first production run of 3,000 toys has already sold out. (Please see http://www.cbcsshop.ca/CBC/shopping/product.aspx?Product_ID=FTSRC00329&Variant_ID=PG2008&lang=fr-CA.)

The producer has now reordered a much larger quantity of the toys. They say that the investors in their main production, such as Telefilm Canada (which is entitled to 50% of all receipts) as well as various copyright holders (designers, graphic artists and others, who are entitled to various percentages based on agreements negotiated subsequently with their professional artists' associations) are very happy with this initiative.

This producer warns that tie-in releases should be carefully planned so that the product appears on the market when the brand is at its strongest. Generally speaking, a tie-in launch for a given series should coincide with the first anniversary of its main broadcast... provided, of course, that the show is still drawing a major audience.

Tie-Ins via Cell Phone

The steady growth of cell phone use makes this a market worth considering. Although there are various ways of creating tie-ins for cell phones, the most popular are the production of telephone ringtones based on musical themes of TV series, or interactive features and background screens derived from these properties.

The aggregator *Airborne mobile* (www.airbornemobile.com) designs and distributes cell phone products for Canada's leading wireless service providers. Because each provider uses its own technology, an aggregator is crucial as it must translate codes for ringtones and screen backgrounds so that they meet different service providers' standards. Traditional editing facilities no longer export files in different mobile formats.

Airborne is willing to work with producers in the cell phone tie-ins sector and take charge of production and distribution of these products.

In terms of business, it can offer a minimum guaranteed payment, an advance for operating a brand, provided the brand is a highly popular one. In most cases, however, it offers a revenue-sharing formula. For a producer this may represent 10% to 30% of all receipts, or 10 to 30 cents for every dollar earned on a sale. Once again, the volume of business is directly proportional to the brand's reputation.

The Montreal firm Lipso also provides support for tie-ins to certain areas of the cell phone market. (Please see www.lipso.com.)

Conclusion

Tie-ins may prove to be a valuable source of additional revenue provided they are approached and developed in a serious, thoroughgoing way. The main ingredients for success are a solid brand reputation, the right partners, and a sound production and marketing strategy.

How to Use Traffic Metrics

Web Performance Indicators for Television Program Websites

By Simon LaMarche

Many broadcasters rely on a single indicator when determining the popularity of a television show - the audience. This is generally the indicator taken into account when deciding whether or not to continue broadcasting a show. On the Internet, the popularity of content is often measured by focusing on traffic levels, but there are many other performance indicators that can help you get to know your visitors even better.

Below are a few examples of indicators suited to a television program website. These indicators are not necessarily appropriate in all situations, but they are generally very useful in assessing the health of a website.

Visitor behavior

Often the most viewed and the easiest to interpret, visitor behavior statistics illustrate a website's general appeal. These statistics include the number of visitors, the portion of "repeat visits" and the bounce rate.

In terms of visits, it is often helpful to isolate the time slots before, after and during the broadcast of a program in order to assess how this affects the performance of the related website. A high level of "repeat visitors" during a broadcast season is usually a good sign as it demonstrates an interest in the site content.

Commitment

Commitment indicators have been gaining ground over the past few years, namely due to the improved performance of tools. Frequent visits are indeed a good sign but it is more interesting to note HOW interested your visitors are in the website's content? To measure commitment, indicators such as the time spent on the site, the time elapsed between visits (recency??), loyalty and interaction are evaluated.

One of the most common mistakes is to rely mainly on averages. For example, many analyze the average time spent on a website. Average time spent may be a strong (for example 8.5 minutes per visitor can be deemed good) but this figure doesn't truly reflect the experiences a visitor is having online. It is far more pertinent to know that 10% of visitors spent more than 21 minutes on a website than to average out times.

The time elapsed between visits is very useful in evaluating whether a weekly program generates subsequent visits or if the website is viewed more or less often than the television program. Interaction is one of the most significant factors in terms of commitment as it demonstrates that the user shows a genuine interest in performing an action on the website such as submitting a comment, playing a game, or subscribing to an RSS feed, etc.

Content performance

These indicators demonstrate whether or not the content truly appeals to your visitors, thus providing information as to what they want. Two key indicators are the proportion of visitors having viewed a particular piece of content and the time spent on an interactive component.

The proportion of visitors having viewed specific content is a good indicator of the interest for the content in question. For example, if eight video clips are made available online and two of them are viewed more often, it would be wise to use those two videos as examples of what the audience is responding to best and use the tone, subject matter and style of this content to help you select new clips to add your website. Similarly, if more time is spent on a particular game, your visitors probably find that game more appealing than the others, which is information that can be used to enhance a future version of your website.

Traffic source performance

Google, Twitter, Facebook, broadcaster site, e-mails and direct visits to name a few; these are all examples of sources that generate visits to a television program website. However, they do not necessarily generate the same quality of visits.

By knowing which sources generate the best visits, it is possible to increase the focus on those sources in order to further enhance website performance. For example, knowing that the broadcaster site generates longer visits and a greater level of interactivity may be beneficial when negotiating additional space on their website.

Visitor satisfaction

Even when all indicators are used effectively, the best information is often provided by the visitors themselves through a survey.

Such surveys are conducted online, directly on the website, and provides information on visitor satisfaction based on certain criteria such as type, gender, age, etc., which is useful in ensuring that the website corresponds to the targeted audience. It is also extremely relevant to combine visitor satisfaction with the quantitative indicators presented above. In this manner, conclusions can be cross-referenced: “Eighty percent of visitors who played this game are satisfied vs. 40% for all other visitors.”

The same can be said for technological challenges

The “democratization” of web performance measurement tools, as well as the availability of reference documents to developers, has allowed a number of organizations to obtain statistics that are more reliable than in the past. It is therefore crucial that tools be set up accordingly and challenged if necessary before embarking on a project to monitor website performance.

Although, new tools such as Google Analytics and a number of other free, or almost free, tools can calculate hundreds of performance indicators. Beware of going to extremes: an over-abundance of figures tends to hinder the decision-making process. How many times have you viewed the statistics report of a website and haven't been able to find the information you really want? This is a classic case of infobesity which is easily cured by defining indicators that are relevant to your business model.

Legal Issues: Multi-Platform Media and Emerging Technologies

By Mary Barroll

“Multi-platform distribution” has become a new buzz phrase for traditional broadcasters and film producers and distributors. Traditional entertainment industry players understand that they must begin to inhabit the new emerging media platforms such as the Internet, wireless, cell phone and online and console gaming platforms or become obsolete. However, these new forms of distribution, or “multi-platform” productions are very challenging from a legal, business and regulatory point of view for a number of reasons.

Growing list of Distribution Channels

As all producers know, even existing distribution models for traditional forms of media such as television or film contemplate a variety of complex licensing and distribution agreements for the various formats such as broadcast licenses in specific territories, DVD sales, VOD licensing, educational distribution licenses and cinematic release in theatres. Coupling those traditional agreements with a dizzying array of other licensing arrangements for distribution of clips, segments or whole productions on a variety of new platforms such as cell phone, on line distribution via the internet, downloads for playback on portable devices, adaptation to game platforms, among other modes only adds to the onerous complexity of clearing rights, tracking and reporting usage or exhibition, and revenues earned, enforcing intellectual property rights and resolving disputes among parties to the agreements and ensuring none of the agreements conflict with each other.

Supporting Guild and Union Collective Agreements

Yet another challenge that multi-platform producers struggle with is when the type of project being produced necessitates using materials whose distribution and exploitation is governed by guild or union collective agreements that do not contemplate such use, or oblige the payment of minimum fees and/or residuals or royalties that may be too expensive for the average interactive production budget for which the revenue generating business models are still in nascent forms or the returns are low or unpredictable. Unfortunately, the result may be that producers of multi-platform projects simply avoid using the talents of highly skilled members of guilds or unions in favour of those that they can afford or are not prohibited by collective agreements from performing a variety of roles in a multi-platform production dependent upon the economical multitasking of its contributors.

Rights Clearances and Management

Many popular forms of multi-platform productions are based on content derived from users or “user-generated content”, which necessitate the drafting of complicated online agreements to obtain the required rights from the user to exhibit the content on its website specific to the contemplated present and future use of the user-generated content and govern the users’ use of the website and their behaviour in respect of other users and third party content whether user-generated or otherwise. These agreements also function to clear copyright, trademarks, publicity, personality and privacy rights and to protect the producer and the website owner from liability arising from third party suits for defamation, infringement of intellectual property rights and prosecution under criminal law for obscenity, harassment and hate propaganda, among other offenses. Since many of these user-generated content productions target young people, it is also critical for the producer to ensure that the user who is intended to be bound to the terms of the online agreement has reached the age of majority in his/her jurisdiction and has the legal capacity to understand and enter into a legal agreement. This is a considerable challenge given the remote relationship with the user and the difficulty of proving identity. These legal considerations are not unique to user-generated content productions, as they are now ubiquitous in online registration or user agreements that allow the user to play an online game, subscribe to a service or otherwise consume or use the production. However, the very things that make user-generated content appealing, namely the interactivity, the multiplicity of sources and variety of inexpensive content and relatively uncontrolled access, the popularity among young users, to name just a few, are the same characteristics that exacerbate the risk, increase the need for ongoing monitoring of users and increase the complexity of the online agreements which must be used.

Aligning Legal Agreements Across Platforms

Finally, one of the brain-teasing challenges in multi-platform projects that is not often discussed is the difficulty in aligning the terms and conditions of legal agreements that are used in traditional business

models with the legal agreements utilized in the various multi-platform extensions or productions based on the same underlying creative work. For example, broadcast and/or distribution licenses for a film or TV show will typically have as a fundamental condition very strong exclusivity provisions related to the protection of the territory or territories acquired. When distributing a film or TV production via the Internet that crosses international borders, or when distributing related content such as a game or online interactive extension, it will be necessary to consider geo-blocking access of users in different territorial regions to protect the exclusive rights acquired by broadcasters or exhibitors of the accompanying traditional media production in the relevant territory. Likewise, if the multi-platform extension includes the transmission of game or other content to the user via phone, email or text messaging, it will be necessary to consider and apply privacy laws and policies particular to the relevant territory for the legal collection and use of confidential identifiable information that allows such transmission.

Be Aware and Prepare

Given the wide variety of forms that multi-platform productions can take, particularly during these early stages in the developing business models and continually emerging new forms of technology, no one template can be relied upon as the definitive system of legal agreements. Each production must be analyzed with particular attention paid to its constituent parts in terms of types of productions, methods of dissemination, forms of media and distribution territories to arrive at a strategic approach to manage the legal and business issues that will arise in these new and exciting forms of entertainment and information. In all cases, it is advisable to consult with an experienced lawyer as early as possible to assist the producer in navigating the potholes before they grow into legal pitfalls.

Legal Issues: Online Exploitation Rights and Collective Agreements In Quebec

By Remy Khouzam

The constant progression of technology gives rise to a vast array of digital media (how much longer will they have to exist before we no longer refer to them as “new” media?) and new ways to distribute and enjoy content. This brings about a reflection on the very future of the production of audiovisual works and the issues related to the management and the protection of intellectual property. Questions raised by royalty payments for audiovisual works exploited in digital environment are also a hot topic. In Quebec, the vast majority of collective bargaining agreements have been negotiated for the television and motion picture industries. However recent amendments have been added to specifically address exploitation of these works in digital environments. While distributors demand wider exploitation rights for all support and media, there are still very few television series broadcast (by legal means) on the web in Quebec. Why is that?

At this point, only the Canadian Broadcasting Corporation allows its Quebec viewers to stream their favourite series on the CBC Website¹. The latest episodes of the “Invincibles” and “Tout sur moi” are available for the viewing pleasure of the new media spectator for a full week following the initial televised broadcast. Producers have begun to embrace the idea of digital distribution and are exploring different ways to distribute their content over the Internet. But what are the payments that might be triggered for Producers with the advent of this new distribution model? Let us turn now to the relevant collective agreements.

A word on the Status of the Artist Act²

Pursuant to this Provincial Law, every artist is free to join any artists’ association he chooses and to participate in its establishment, activities and administration. This association is entitled to recognition by the “Commission de reconnaissance des associations d’Artistes et des associations de Producteurs” (CRAAP)³ established by section 43. Once recognition is acquired, the association thus becomes the exclusive representative of its members (actors, scriptwriters, directors, etc.)⁴. Following recognition, the said association can bring the Producer to the table to negotiate a group (collective) agreement, which must include a model contract with minimum working conditions for the performance of services by the Artists.

We will examine the provisions included in the collective agreements pertaining to the exploitation of television series’ in digital media, more specifically, the collective agreement for the Producer association: the “Association des Producteurs de films et de télévision du Québec”⁵ (APFTQ), the Actor’s Association “Union des artistes”⁶ (UDA) and the “Alliance of Canadian Cinema and Radio Artists”⁷ (ACTRA) and finally the Scriptwriter’s Associations: (the “Société des Auteurs de Radio, Télévision et Cinéma”⁸ (SARTEC) and the Writers Guild of Canada⁹ (WGC).

Directors

We will not address digital royalty rights for Directors for two main reasons: The Directors Guild of Canada’s¹⁰ (DGC) status has not yet been recognized as an association by the CRAAP and there is currently no collective agreement between Producers and Directors of English productions in Quebec as of yet. Regarding the Director’s Association of Quebec¹¹ (ARRQ), the significant controversy arising from the recent decision on the collective agreement, along with the fact that it might be subject to judicial revision, makes the question of royalty payment for digital media the least of anyone’s concerns¹².

Actors

Implemented in 2007, the UDA-APFTQ collective agreement contains a provision dealing with digital media delivery of content¹³. Pursuant to the collective agreement, a television series Producer must pay a Performer in a series, a royalty equal to fifteen percent (15%) of his gross revenues¹⁴ for the Web exploitation of that television series. Regardless of revenues generated, the Producer must pay to the Actors, in priority, a guaranteed non-recoupable minimum royalty equal to four percent (4 %) of paid (or payable) fees¹⁵.

For the digital delivery and exploitation of series' produced in the English language under the ACTRA-CFPTA¹⁶/APFTQ collective agreement, the Producer will pay royalties equal to three point six percent (3.6%) of the Distributor's Gross Revenues¹⁷.

Scriptwriters

The SARTEC-APFTQ collective agreement offers very little information in terms of digital delivery for television series. Appendix S establishes the creation of a Consultation Committee with a mandate to examine such questions. Consequently digital delivery is left to peer to peer negotiations between the Scriptwriter and the Producer. Some Producer may opt to pay digital royalties at the same time of purchase of the additional licence provided for in section 10.44 of the agreement (providing in particular for the exploitation of video games) by paying to Scriptwriters a five percent (5%) royalty of the Producer's Profit (in the case of a submitted project) and of four percent (4%) (in the case of an solicited project)¹⁸.

The WGC-CFPTA/APFTQ agreement is as unfortunately devoid of information regarding digital delivery for television series. Nevertheless, an analysis of sections A716¹⁹ and C1101 allows us to draw the following conclusion: a Producer may acquire exploitation rights for the scripts of a television series by paying a royalty equal to three point two percent (3.2%) of the Distributor's Gross Revenue.

Conclusion

Although the above mentioned collective agreements offer certain guidelines; the percentages and methods used for calculating digital distribution/broadcasting royalties remain nebulous and puzzle the vast majority of people. Sound legal advice and caution are of course recommended before attempting a multimedia production²⁰. That being said, the uncertainty surrounding the exploitation of audiovisual works in a digital media environment remains and consequently the solutions offered by collective agreements remain theoretical at best, even if sharing of revenue streams seems to be the most obvious equitable solution at this point.

In an ever changing and constantly evolving "new media" environment, how are we to apply a set of legal rules if the digital model has yet to settle on a fixed delivery medium for audiovisual works? We think a reflection focused on the future rather than on the adjustment/adaptation of past business models is better suited here.

¹ With the exclusion of simultaneous web and television broadcasting

² An Act respecting the Professional status and conditions of engagement of performing, recording and film artists, R.S.Q. c. S-32.1

³ www.craaap.gouv.qc.ca

⁴ 12 associations have a recognized status in the motion picture and television industry in Quebec www.craaap.gouv.qc.ca/Associations/index.html

⁵ www.apftq.qc.ca

⁶ www.uniondesartistes.com

⁷ www.actra.ca

⁸ www.sartec.qc.ca

⁹ www.writersguildofcanada.com

¹⁰ www.dgc.ca

¹¹ www.arrq.qc.ca

¹² This article was originally written on March 23, 2009, before the APFTQ and the ARRQ agreed to the terms for their latest collective bargaining agreement. Said agreement will be covered in a subsequent version of this article.

¹³ These sections are found in the « lettre d'entente no. 6 » of the collective agreement and are applicable for a 3 year period following the signature of the collective agreement. We now know that the TVA Group concluded, at the end of February 2009, an agreement with the UDA concerning the numeric delivery of television series produced in French by the TVA group and its affiliates.

¹⁴ Section 3.2 of the agreement defines « Producer's gross revenue » as the proceeds derived from the numeric exploitation of the production, without deductions. It is also important to note that section 2.2. provides that in the event that a Producer grants Internet use and broadcasting rights to a Broadcaster, the cost of such a licence may not be inferior to 10% of the fees paid for classic residual use. The same applies to television on demand. These licences are deemed to constitute revenues according to the collective agreement.

¹⁵ These royalties are paid solely to actors entitled to classic residual payment.

¹⁶ The Canadian Film and Television Production Association. The above mentioned collective agreement see note 2, was adopted on January 1st 2007 and will remain in force until December 31st 2009.

¹⁷ See Section E209 of the collective agreement. Another payment option is available for the Producer whose production is guaranteed by an Approved Distribution Guarantor pursuant to A518 (b) of the agreement. Please see also sections E104, E301 and E303 of the agreement. For a detailed definition of Distributor's Gross Revenue, see section B509 of the agreement.

¹⁸ The combined analysis of sections 9.02, 9.14, 9.15 and 9.16 leads us to this conclusion.

¹⁹ This section discusses the Unlimited world distribution of a Television Production.

²⁰ There exists of course other legal consideration and collective agreements to take into account.

Last Word

By Catherine Warren

Entertainment's stock, like lipstick sales and hemlines, tends to go up in troubled times. With its immersive vibe and interactive allure, new media entertainment offers new forms of escapism. And after the dotcom market meltdown, which in retrospect almost seems quaint, it's nice to be on the outside looking in rather than the eye of the economic maelstrom.

Even better, digital media fundamentals appear stronger than ever. A recent study reports that people would rather keep internet, video and voice services in their budgets than any other type of expense, including personal care products, gym memberships and apparel. Bad news for hygiene, but great news for digital media, which environmentally at least, and porn aside, is a pretty clean industry.

In an era of user-generated content and web-only content, what remains unique about Bell Fund funded content is its embedded connection to broadcast and all that television embodies: outstanding productions, unrivalled promotions and unbeatable reach. Couple all of this with TV's mature business model, high-tech's entrepreneurial spirit and wrap it all up in the glamour-bubble of entertainment, and there could be no better formula for success. Of course digital media is still in its infancy - with perhaps a century of success ahead before we'd even be considered for a multi-billion dollar bail-out - so, we're entitled to tweak our formula along the way.

Generous experts have shared their secret cocktails in these pages. They are yours for the taking - and might just be the making of your next big thing. Go ahead, you know what to do. Mash them up. Make them your own. Whatever your digital plan, you'll find the right mix here for your property and your team.

Writing about new media in a collapsing global economy is like shooting at a moving target during an earthquake. The fact that these contributors really nailed their subjects is that much more remarkable in the context of our times. And as times change, you as readers can write in with your own powerful user-generated content, the business machinema and financial mods necessary to keep our living publication relevant whatever the future brings.

Canada may actually be the true calm in the storm. With our stable equity market and our sound economic policies, we recently ranked as the number one place to build a business, leading as the top country for entrepreneurs and the top ranked for entrepreneurial access to capital. (Unfortunately, the study was helmed by deposed junk bond king Michael Milken.)

Not only is there more money here for entrepreneurs, there is more money for digital media specifically. The Bell Fund's contribution as Canada's largest private fund for interactive broadcasting remains unrivalled anywhere in the world. Cable and satellite distributors continue to thrive, subscribers are up and profits are growing, which is good for the convergence kitty. Add to this the new \$100M Vanedge Capital fund earmarked for video games and digital entertainment, and there is no doubt that the formidable talent and acumen in our sector will keep us at the top of the heap for years to come.

As consumers of all this digital entrepreneurship, we have also benefitted from on-demand-everything and online-all-the-time. Blame it on YouTube, but by 2012 our insatiable appetite for bandwidth might even outstrip corporate greed, our demand exceeding cyberspace's supply as the internet unleashes random brownouts and our lifeline is reduced to what the Sunday Times of London calls "an unreliable toy." So, not only do we have the challenge of defining a credible business model, we are faced with spearheading a conservation agenda, like a developing nation that must contend with the inconvenient truth. Ideally, next-gen digital producers will tackle these two issues in tandem and take us all to the next level.

Anyone who has recently submitted a Bell Fund proposal, let alone produced a Bell Fund property, knows the scope of the creative, technical and business challenges involved. If any hold-outs still suspect that new media can be managed off the side of someone's desk, let this publication put an end to their myth-making. Consider this "a resource for the resourceful." And above all, let "[How to Make Money with Multi-Platform Digital Media](#)" be your interactive guide to the wide open road ahead.

Over the years we've seen digital properties get creatively lush, increasingly rich and fun to play. And we've seen the big awards like the Digital Emmy swoop in to acknowledge that new media has finally arrived. New

Bell Fund Bliki: How to Make Money with Multi-Platform Digital Media

storefronts like iTunes and the rise of virtual goods have opened new gateways to revenues. CNN seems as eager to Tweet as to broadcast, and no doubt monetize the results. New media syndication and licensing now results in real dollars.

After a classic relationship involving playground flirtations (NYT/Amazon), awkward prom dates (BBC/Microsoft), early arranged marriages (AOL/Time Warner), legal separations (YouTube/Viacom), media and technology seem intent on working things out. And like any couple starting over, while still arguing about money, they'll be seeking help.

There is no better bridge across this divide than content producers and rights-holders, each of you who are poised to capitalize on multiple revenue channels and propel new media models forward. It's a tough job, but someone's gotta do it.

Biographies

About Jean-François Arseneau

Jean-François Arseneau is a business development consultant specializing in interactive media. He works with video game studios and web producers to create business models and develop appropriate financing for their projects. Jean-François has been deeply involved with today's interactive media since 2000, when he became a founding member of Alliance numérique and directed their international trade development program. He also contributed to the Montreal International Games Summit (MIGS), for which he prepared a feasibility study in 2003 and later developed the Business Lounge that was added in 2007. Among his recent clients are ODD1 Inc., INIS, Bell Fund, Telefilm Canada and Industry Canada. Please contact Jean-Francois at jfarseneau@hotmail.com

About Mary Barroll

Mary Barroll practices business law with an emphasis on entertainment, technology and intellectual property. Her clients include television, film and new media producers, software and website developers and other businesses involved in the traditional and new media industries. She obtained her B.A. (1984) from the University of British Columbia, her Broadcasting Arts Degree (1986) from Mount Royal College and her LLB (1994) from Queen's University. She is called to both the Ontario (1996) and Alberta (1997) Bars. Mary is currently completing her Masters of Law degree specializing in E-Business at Osgoode Hall Law School and is President and Executive Producer of the cross platform media production company, *mbmedia*, based in Toronto. Contact Mary at mbarroll@calcap.ca.

About Sasha Boersma

Sasha Boersma is an Associate Producer with [marblemedia](http://marblemedia.com), supervising the interactive production unit and integrating its services with both the marketing and the television production units. You can follow Sasha's online meanderings at twitter.com/cartoon dutchie.

About Ted Brunt

Ted Brunt has been working in interactive media since 1992, after a career writing, producing and editing television for TVOntario, TSN, NBC, CBC and Global. He launched TVOntario's Online Group, a social media project developed in 1993, and later helped create tvokids.com. He brought TVOntario to the web in 1996, and managed the Ontario Educational Software Service for the Ontario Ministry of Education. He later moved to the Independent Learning Division as Chief Technical Officer. In 2003, he joined the Canadian Broadcasting Corporation to work with CBC.ca and Children's and Youth Programming as Chief Producer for Kids' digital content. He performed a number of roles at the CBC, including Director of Arts & Entertainment Interactive and Sr. Director of Digital Entertainment Programming. He now works as Sr. Consultant for marblemedia Interactive. www.marblemedia.com

About Rita Carbone Fleury

As an Independent Content Strategist, Rita sources and builds opportunities for content creators and rights holders to exploit their intellectual property. Her experience includes: creation and implementation of multi-platform content sales strategies; forecasting future content trends; and business development for traditional and new platform monetization. Clients have spanned across all genres and have included: marblemedia, Frantic Films Entertainment, RAI Corporation, Studio B Productions, Summerhill Entertainment, Reel Girls Media, Nelvana, QVF Entertainment, and House of Cool Animation Studios. Rita's platform agnostic approach to content, has given her the opportunity to work with the Bell Broadcast and New Media Fund, who commissioned her in 2007 to report on the state of cross-platform content opportunities. Rita is a lecturer and presenter for various industry organizations including Women In Film & Television, Doc-IT, AMPIA, and the Directors Guild of Canada among others. As her clients will attest, in her "spare time" Rita is an avid baker. If you are interested in seeking her advice (or recipes) you can contact her at ritacf@sympatico.ca

About Julia Casale-Amorim

Julia's ten-year career in the Canadian online media industry has taken her from humble beginnings as senior editorial consultant for a dotcom start up to her current post as Chief Marketing Officer at family owned-operated, Casale Media Inc. www.casalemedia.com where she leads development of the corporate brand, its sub brands and every aspect of the company's outward persona. Casale Media clients include some of North America's leading brands, who depend on the company's top-rated media network, MediaNet, to deliver their advertising safely and effectively to targeted consumer segments online.

About Patrick Crowe

XENOPHILE MEDIA INC, Co-President, Senior Producer

A producer, writer, game designer and filmmaker, Patrick runs Xenophile Media, a Toronto-based cross platform production company with clients ranging from Disney to Cartoon Network and BBC. Xenophile's best-known productions include the Primetime Emmy® Award-winning Fallen Alternate Reality Game and the International Emmy® Award-winning ReGenesis Extended Reality Game. Xenophile's work for kids includes the Emmy® nominated projects: Total Drama Island - Totally Interactive with over six million players, the Emmy-nominated M.I. High Game for BBC, a new online game world for the YTV animated series Rollbots and an online documentary based on the feature film Hana's Suitcase. Xenophile Media's work has also won accolades at the Banff World TV Festival, SXSW, FITC, Gemini and Canadian New Media Awards.

As a documentary filmmaker, Patrick has written and directed work on social and historic topics. His writing also includes media theory, animated television series and a feature film co-written with author Carol Shields.

About Claire Dion

Claire Dion is the Associate Director of three private Funds: the Bell Broadcast and New Media Fund which funds digital interactive content associated with television programs, and the Independent Production Fund and Cogeco Program Development Fund which support the development and production of Canadian television drama. She is responsible for all activities of these Funds in Quebec. She was also a consultant for Shaw Cablesystems Fund in Quebec from 1997 to 1999 and for the Canwest Promotion of Programming Fund in Quebec in 2003.

From 1980 to 1987 Claire Dion held positions as script advisor and Director of Development and Production at SOGEC (formerly IQC, SGCQ and SOGIC). Following that, she served as editor of a healthcare business periodical, taught a scriptwriting course for television at the Université du Québec in Montreal, was associate producer for the development of director Robert Favreau's feature film L'Ange Noir, and was script editor of the first season of the series Super Sans Plomb for Société Radio Canada.

Claire Dion received a B.A. in television studies from Concordia University and a Masters Degree in Cinema from the University of Southern California. She chaired the largest community medical and social services centre in Montreal, CLSC Côte-des-Neiges, for 10 years. She sat on the Board of le Centre de réadaptation l'Intégrale and on the Board of Femmes du cinéma de la télévision et des nouveaux médias de Montréal. She is a member of the Academy of Canadian Cinema and Television and vice-president of the Fondation Marijo. You can reach Claire at cdion@ipf.ca.

About Jonas Diamond

Jonas Diamond is Executive Producer with Smiley Guy Studios, www.SmileyGuy.com. Jonas joined up with the Guys in the fall of 1999 and successfully arranged financing for and managed the company's development of Odd Job Jack. Over the past nine years, Jonas has been instrumental in growing the company's production business as well as arranging financing for its original content.

About Kate Hanley, B.A., LL.B,

A lawyer and former media executive, Kate Hanley is President of Digital Theory Media Consulting. Founded in 2006, Digital Theory assists traditional players identify and exploit emerging opportunities in the digital content marketplace. The firm delivers strategic planning, research and policy development to a range of

media clients including broadcasters, creators, trade organizations and government at all levels. Kate may be contacted by e-mail at khanley@digitaltheory.ca.

About Clem Hobbs

Clem Hobbs, Director of Post Production at Decode Entertainment Inc., www.decode-ent.com, has been with the company for more than eight years and is an expert in technologies linked to 2D/3D animation, compositing & post production, Clement designs & maintains many of the co-production workflows established with productions partners around the world. He is currently working as an Animation Producer on Waybuloo, a Canada/UK co-production for the BBC. Prior to his time at Decode, Clement worked with TVOntario as an editor and Sound Venture Productions as a senior editor.

About Remy Khouzam

Remy Khouzam is a partner at Lussier & Khouzam, www.lussierkhouzam.com, where he practices Audiovisual and Multimedia law, specializing in Copyright and Information Technology law. In 2005, he was mandated by the Bell Broadcast and New Media Fund to draft and adapt a [legal kit](#) including 12 key agreements tailored for Audiovisual Content and Multimedia Producers in Quebec. Contact Remy at rkhouzam@lussierkhouzam.com.

About Simon Lamarche

Simon Lamarche is Founding Partner of Adviso, www.adviso.ca, an Internet strategy and marketing firm created in 2002 that employs 25 experts. A pragmatic and innovative strategist, he knows how to spot new trends that will change the Web and is able to adapt them to his clients' specific needs.

Armed with a Bachelor of Business Administration and a Master's degree in Electronic Commerce from HEC Montreal, his particular field of interest is the optimization of conversions rates of websites of all types, regardless of their business model. Thanks to a high level of expertise, he has successfully completed a number of major strategic planning and Web marketing projects.

Simon Lamarche presents numerous conferences on Internet marketing and has published several articles in renowned journals. He also co-hosts the following blogs: Innovation Web (innovationweb.branchez-vous.com) and Adviso | Le blogue Interne (<http://www.adviso.ca/blog/>).

About Andrew Lane

Andrew Lane is a consultant and blogger at [nitch*](#), specializing in business development, marketing, and strategies to connect content and consumers across multiple platforms. You can learn about his services at nitch.ca or follow his musings at twitter.com/nitchblog.

About Pierre Le Lann

Pierre Le Lann came to kids interactive in 1995, when he built Periodica Multimedia, a division that marketed children's edutainment PC games. He went on to create and run PTM kids, a children's interactive game studio whose clients included Disney and Ubisoft. Then Pierre joined Radio-Canada/CBC as director of business development for the New Media division and then for the Merchandising division. Later he founded Tribal Nova, www.tribalnova.com, with long-time friend and colleague Guillaume Anierte. Pierre holds a master's degree in marketing from Texas A&M University. He speaks regularly at conferences on the subject of kids' virtual worlds and online gaming. Tribal Nova specializes in producing and operating children's virtual worlds in partnership with broadcasters such as PBS, CBC, and RTL, as well as internet service providers and portals such as AOL and Bell Canada. Tribal Nova also develops online games in partnership with leading television producers such as Decode Entertainment, Cookie Jar Entertainment, Nelvana, or Marathon for both the European and North American markets. Contact Pierre at lelann@tribalnova.com

About Kenneth Locker

Kenneth Locker is SVP, Digital Media at Cookie Jar Entertainment, www.cookiejarentertainment.com. Locker has established Cookie Jar's ambitious initiatives in online virtual worlds and multiplayer games. He has also supervised Cookie Jar's partnerships in wireless, broadband, IPTV and other emerging digital distribution platforms. Under Locker's leadership Cookie Jar has forged relationships with iTunes, Netflix, Wild Tangent and AT&T among others. Before joining Cookie Jar, Locker served as SVP of Digital Media for

Comedy Central where he successfully rebuilt the company's website and extended the network's brands to wireless, online and interactive TV platforms. He was instrumental in establishing strategic marketing and business partnerships with AOL, Yahoo!, Microsoft, RealNetworks, Nokia and Ericsson. Previously he served as General Manager of MGM Interactive and consulted to Intel Venture Capital. Prior to his digital media career, he was involved in the production of more than two dozen television movies and miniseries including "Lonesome Dove," "The Josephine Baker Story" and "Chernobyl: The Final Warning". His feature length documentary "Backstage at the Kirov" was nominated for an Academy Award in 1983. Locker graduated from Johns Hopkins University and was a Fellow at the Massachusetts Institute of Technology's Center for Advanced Visual Studies.

About Marc Levasseur

Marc Levasseur is a communications, public affairs and commercial development consultant who works closely with clients on developing their markets and represents their interests to the public authorities. Earlier in his career, Marc was a public affairs reporter for CBC/SRC, a TV producer, and an information technology (IT) reporter, before devoting himself to market development activities for new French-language and international media and support services on European markets for young Quebec-based multimedia firms. He also played a part in developing the first live web broadcasts of a young people's series in Quebec. He is currently working with some of his IT sector clients on growing their business in the corporate sector and acts as their official representative on certain key issues. Contact Marc at mlevasseur@synap6.com

About Anne Loi

Anne Loi, Senior Vice President at Decode Entertainment Inc. www.decode-ent.com, is responsible for interactive development of the company's children's and family properties, in addition to overall operations of the Company. Prior to joining DECODE, Anne was Vice President of Financial Strategy at Extend Media and prior to that, Director of Finance at Interactive Media Group.

About James Milward

James Milward is the Executive Producer of Secret Location, www.thesectionlocation.com, a creative digital production studio that delivers engaging experiences and products to increase brand experience and audience relationships. Secret Location's mission is to produce highly inventive integrated creative solutions for advertising agencies, broadcasters and third-party film and television producers. Secret Location works in tandem with independent TV production companies to create content across multiple media platforms and create innovative creative and business solutions. James may be contacted at James@thesectionlocation.com.

About David Plant

David Plant – VP Media and Entertainment, Cameron Thomson Group and Strategic Partnerships for WirelesStudios, www.wirelesstudios.com, (a wholly owned subsidiary of Cameron Thomson) Through the 80's and 90's David Plant played a vital role in the establishment and growth of the film and television industry in Toronto to over CDN\$1 billion annually. During his tenure as the city's film commissioner, under his guidance Toronto became the third largest production centre in North America - second only to New York and Los Angeles. He convinced the Walt Disney Company to open a major animation facility in Canada in 1996. He left the public sector in 1997 to work with Silicon Graphics in developing the Media and Entertainment industry, contributing to industry leading technologies for global clients such as IMAX Corporation, Electronic Arts, Alias and Discreet. He went on to work within Bell during the time when Bell Globemedia was being formed and evaluated content issues relating to BGM, Mobility, and ExpressVu for CGI, the consulting arm of Bell. He subsequently joined Cameron Thomson Group, a pre-eminent provider of outsourced business development and financing services to media, entertainment and technology companies with offices in Toronto, London and Milan. There his team has provided business evolution planning on projects for leading international media companies like ITV in the UK and DeAgostini in Italy and business development assistance to Canadian-based companies like Extend Media. He is considered one of Canada's authorities on cross-platform media strategies and their role in business development. He frequently is called upon by public agencies and private financiers to evaluate applications for funding.

About Andra Sheffer

Andra Sheffer is the Executive Director of the Bell Broadcast and New Media Fund, www.bellfund.ca, which invests in Canadian television programs and their associated interactive digital projects, as well as two other private funds that support the Canadian new media, television and film industries: the [Independent](#)

[Production Fund](#) which invests in dramatic television series, and, the [COGECO Program Development Fund](#) for the development of dramatic series, MOW's and feature film companies as well as the production of MOW's. From 1979-89 she was the founding Executive Director of the Academy of Canadian Cinema and Television and produced the annual Genie and Gemini/Prix Gémeaux Awards. She lectures on the business and financing of television and new media and is the editor of *New Media, New Business: The Producer's Guide (2001)* and *Create a Winning Proposal - The Handbook for New Media Producers (1999)* as well as the co-editor of *MAKING IT: the Business of Film and Television Production in Canada (1986 & 1995)*. Previously she served as the Managing Director of the Toronto International Film Festival, and with the federal government as a Certification Officer setting up the original CAVCO office (and Canadian content "point" system), and at the Film Festivals Bureau promoting Canadian films internationally.

About Will Travis

Will Travis is SVP Red Team, Dentsu. Will leads the Business Strategy growth and Marketing at Dentsu's, www.dentsucanada.com, North America offices, since the acquisition of ATTIK, the world-renowned global brand engineering company. While at ATTIK, Will, the former President, navigated the company's expansion into foreign markets. He secured a strong foothold in the U.S. opening both New York and San Francisco studio's, establishing ATTIK as leading creative force through accounts Toyota Scion, Boost Mobile, Levis, Nike, Kodak, MTV, CNN, Coke, Medtronic, AOL and Sony. Currently based on the East Coast, Will is charged with expanding the global clientele and voice of the Dentsu West group. Will also motivates those in and out of the industry, with his unique insights on creativity, youth marketing, new media/digital and entrepreneurship. He has en-lightened thousands in China, Russia, South America, Japan, Europe and North America. Although Will's daughters Amelia and Beatrice keep him plenty busy, Will also manages to find time for pushing himself to extreme limits outside the work place. Diving with Great Whites, cycling across Alaska, conquering two of the world's highest summits in Russia and Antarctica, motor-biking the world's highest "road" through the Himalayas and high altitude parachuting, offer just a peek.

About Catherine Warren

Catherine Warren is the president of FanTrust Entertainment Strategies and a longstanding member of the Bell Fund Board, where she chairs the Communications Committee. Over a career spanning 25 years, Catherine's clients have included Fortune 500 companies, Microsoft, the CSI-franchise, Orange Telecom France, PBS/KCTS, the National Film Board and many hit children's television series and games. Her business FanTrust helps clients succeed globally with multiplatform business strategies, audiences and deals. Working in North America, the UK and Europe, Catherine has served as a senior manager for both privately held and publicly traded media companies, including taking onto the Nasdaq a digital company with a \$300M market cap. A veteran executive producer of multiplatform content, Catherine's work has resulted in various awards, including a Webby for the Vancouver Aquarium and Gemini for CTVNews.com. She is a member of the International Academy of Television Arts & Sciences where she serves as a jury member for the Emmy Awards. A publisher, editor and journalist, Catherine has written the weekly business humour column for the Vancouver Sun, where she allegedly negotiated CanWest's first blog deal. Catherine has a degree in Physics from Reed College in Portland and a masters from the Columbia University Graduate School of Journalism in New York, from which she broke the story of new media on location at MIT. www.FanTrust.com