

**Performance Indicators: Impact of the Bell Fund Support of Convergent Projects
2009-2010
Highlights of a Bell Fund Survey¹**

“...with each project, some new element is explored...”

In the context of understanding the overall impacts of the support it provides to Canadian digital media companies, a study was undertaken to provide an assessment of notable successes and challenges. The following key findings reflect a snapshot in time of convergent media production.

1. Excellence of the Productions

Industry recognition was high, with 55% of the productions achieving awards and nominations. One quarter of the awards were international. 65% of documentary projects won awards, a higher proportion than in any other genre.

Awards conferred valuable credibility on the production companies, in the eyes of broadcasters, of other producers, and internationally. Some awards led to new business, new clients and attracted new talent. Awards increase reputation, credibility and visibility of the company and inspire confidence in clients.

Internationally, Canadian productions are reputed to be more ambitious and forward-looking, leading to international opportunities for Canadian companies. Individual producers are being sought by major international and national players because of their association on these projects.

Key innovations included:

- True cross platform integration of web and television content
- Extensive personalization features
- Compelling interactive storytelling
- Excellence in brand integrated content
- Excellence in management and navigation design of massive amounts of content

¹ The survey was undertaken on behalf of the Bell Fund by MDR Burgess Consultants, Jan-March 2011: *A Snapshot of Convergent Production from 2009-2010*. Results are based on a review of 33 properties and related documentation and in-depth interviews with 31 companies representing a range of interactive digital media projects with different budget sizes, broadcasters, platforms, language and genre of associated television production.

2. Monetization of the Productions

Bell Fund grants provide companies with sufficient risk management to experiment with new business models. This is a slow build, and most producers are taking a long view of monetization, building the elements of their strategy.

Only four projects successfully attracted gross revenues between \$50,000 and \$250,000, primarily through sponsorships. Other revenues are being generated through the licensing of underlying technologies, advertising sales, branded content sales and licensing to international broadcasters. Modular elements of the digital content are being distributed in various formats, across a range of platforms, for integration to broadcaster, VOD or game portals, or for download on mobile devices.

The international market for convergent websites is not well developed and presents its own challenges. Prices have yet to be established in a uniform manner and many broadcasters are either unable or unwilling to pay for online content, considered by some as a program's marketing materials. Smaller broadcasters often do not have the means or infrastructure to support the more advanced projects that Canadian companies are developing. Additional resources to properly code and maintain them are a challenge. Distributors lack experience distributing digital properties, and the financial incentives.

Summary of business models currently being considered by companies	%
Website sales	50%
Sponsorships	33%
Sales of web content modules (short videos, mobsisodes, flash games, etc)	33%
Engaging social media networks	27%
Developing mobile applications	27%
Direct sales to consumers (downloads, premium subscriptions, merchandise)	20%
Exploiting educational markets	16%
Exploiting underlying technologies	13%
Brand Integration	13%
Retail tie-in (toys)	3%
Producing live events	3%

3. Audiences and Promotion

There is no consistency in the metrics reported. Producers are primarily interested in two types of measures: those relating to levels of user engagement and those relating to overall reach.

Sites reporting high levels of user engagement measured time spent on the site (between 3 and 12 minutes per visit) and number of page views (from 230,000 to 2.7 million page views per month).

One third of the projects surveyed reported monthly traffic between 4,000 and 70,000 visits. There was no correlation between traffic numbers and either broadcaster, genre or language of the property. Online traffic spiked when associated television shows are airing. There is a gradual and consistent build in audiences that is being maintained over time.

Several factors were identified as helping to grow traffic to the sites:

- Extended rotation on air
- Sales to other broadcasters
- Sales to larger markets
- Building a successful brand
- Brand exposure in other formats (magazines, books)
- Brands associated with social causes

In general, marketing teams of broadcasters and producers are collaborating to realize their social media campaigns, integrate the promotion of specific online content on air, and to identify other promotional opportunities throughout the broadcast season.

One half of all productions have a community aspect to their production providing audience intelligence and allowing for the implementation of appointment-style content updates to reward users who keep coming back. Communities also encourage the development of content targeted to different segments of the audiences, and targeted pushing of content and advertising to online destinations where the audience is believed to be.

Websites have a long shelf life and companies continue to exploit successful older properties, growing their user base and leveraging their success to attract new investors, partners and clients.

4. Sustainability and Partnerships

Producers are building relationships with a range of potential partners, including Canadian and international broadcasters, national and international distributors, sales agents, potential and actual sponsors, potential coproduction partners, NGO's and educational networks.

Bell Fund contributed 52% to total production budgets in both English and French language markets, the single greatest source of funds. Other public funds contribute about one quarter of English language production budgets, and about one third in French. Broadcasters contribute slightly more than 10% in both markets.

Leverging Effect of Bell Fund Grants on Partner Contributions

	English	%	French	%	Total	%
Total Budgets	\$16,764,167	100.0%	\$7,019,012	100.0%	\$23,783,179	100%
Total Bell	\$8,713,850	52.0%	\$3,713,220	52.9%	\$12,427,070	52.3%
Total Broadcaster	\$1,979,270	11.8%	\$621,000	8.8%	\$2,600,270	10.9%
Total other public funds	\$4,782,184	28.5%	\$2,554,343	36.4%	\$7,336,527	30.8%
Sponsorships	\$100,000	0.7%	\$37,300	0.5%	\$137,300	0.6%
Producer Investment	\$1,178,853	7.0%	\$93,149	1.3%	\$1,272,012	5.3%

5. Impact on Companies

The Bell Fund provides production companies with opportunities to develop creatively, to strengthen their relationship with broadcasters and other partners, to develop new skills, to take risks, to show off talent and expertise and to consolidate strong creative teams.

Successive Bell Fund grants help companies build unique portfolios of increasing sophistication, facilitating the development of new business and positioning companies as leaders in the digital sector. The Fund is perceived as supporting leading edge innovation and excellence.

The Bell Fund is recognized as having nurtured the industry through its support and active mentoring, helping it face the next steps in the sector's evolution. It has played a critical role in helping to position the Canadian industry's leadership in innovative content development. Companies supported by the Bell Fund say they are well positioned to exploit the opportunities ahead and are enthusiastic about embracing the future.

Canadian consumers have benefited, having access to highly innovative properties and the creative possibilities of digital media and high value educational experiences for all.