

BROADCAST

Creating TV shows online

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With social networks and ad brands demanding original online content, smart indies are seizing opportunities outside terrestrial platforms.

With non-broadcast platforms and advertising brands increasingly interested in generating their own online content, an opportunity has emerged for far-sighted indies in a new and fast-growing market. Websites such as Bebo, Babelgum and MySpaceTV are now commissioning their own original online content and evolving business models to support it, from advertiser funding to revenue sharing.

"We have become synonymous with innovation in this area," says Kelly Brett, Bebo's head of original productions. Kate Modern, Meet the Freshers and Endemol's The Gap Year are among its commissions, with a further six earmarked for next year.

Different identities

Having ordered green-themed Extinction Sucks from Off the Fence, Babelgum is looking at genres that are "under-catered for by linear TV", says Mark Cranwell, director of content acquisition. "The programming we're looking for is based around genres such as travel, culture, green issues, or indie music, where there are passionate communities. Like linear channels, different online platforms have different identities and this is especially the case with commissions. So please don't approach us with the next Lonelygirl 15," he says.

Other examples include Hat Trick's first online drama Neon Candy, commissioned by Ford's media agency, MindShare. Meanwhile, So TV is preparing to launch online talent venture Noostar with digital producer Cogapp.

"The opportunity for producers wanting to make original content lies outside the terrestrial platforms," says Zad Rogers, head of RDF Digital. This view is backed by online TV research specialist FutureScape. Its study found major brands were bypassing broadcasters to reach viewers direct with their own original content, as demonstrated by Bebo's £1m funding of Endemol's The Gap Year. In 2008 there were 15 online commissions from non-broadcasters such as Bebo, Babelgum and ad-funded sources, compared with 12 external commissions from broadcasters.

Another trend is that a growing number of the 29 to 35 online content projects already slated for 2009 will be made by indies.

"It all depends on gathering advertising around content to pay for production," says Andrew Chitty, Illumina managing director.

As long as non-broadcast platforms hold minimal commissioning budgets, producers need to adopt a different tack, typically through sponsorship or product placement.

"Where broadcasters operate a standard commissioning model for digital in which you present an idea and they decide whether to fund it for a fixed fee, social network sites are best approached with both an idea and a sponsor," says Andy Taylor, digital media director at All3Media.

Funded by advertisements

Despite part-financing its early co-productions, Bebo is moving to a fully advertising-funded structure with sales teams relieving producers of the burden of selling a concept.

"One of the things we require of a production is sustainability," says Brett. "How easy is it to integrate brands? How will brands be received by the audience?"

Producers can also participate in revenue shares with the host platform. At Babelgum the amount of ad revenue returned to the producer is directly proportional to how long and how often their programming is viewed on the platform.

"For traditional licensing arrangements we share net advertising revenues with content providers on a 50:50 basis," says Cranwell. "We can offer cash advances, generally where some exclusivity is involved."

Another funding route is to go direct to a brand or visit its agency gatekeeper. "Since terrestrial networks no longer have a monopoly on large audiences, brands are considering putting money directly into content, to create an audience and drive it towards a particular destination," says Rupert Britton, strategy director at PHD.

According to MindShare head of programming Simon Willis, the commissioning process starts with communicating a brand's idea to an indie.

"It's often smaller indies like Bearkatt or Eyeworks that'll go the extra mile. Some bigger producers will pitch at senior level then, because it's online or has brand involvement, the project gets passed down. We get disappointing results when it should have been taken more seriously." Willis says he receives 10 to 15 formats a week, which a broadcaster has agreed to commission provided a MindShare client finances half of the production. "We want producers who deliver ideas that are demographically rather than brand-specific," he adds.

For All3Media's Andy Taylor it's critical that production companies develop a relationship with advertisers. He helped establish the super-indie's own "brand partnership agency" Kameleon with three former Mindshare executives and supervised the acquisition of Illumina Digital.

"Illumina or any other member of the group can originate concepts, partner with a platform and task Kameleon with building advertising around it," says Chitty. "Or we can take pre-existing content to Kameleon and ask it to identify brands most suited to it and then find a platform."

Too TV-centric

While media agencies recognise the need for a TV producer's core skills in handling talent, script development and storytelling, many of the ideas they receive are too TV-centric.

Perhaps the biggest drawback for producers wanting to move online is a lack of budget. As a rough guide, online video costs around £1,000 to £2,000 a minute – in the same ballpark as budget TV productions.

"The key is to secure a volume commission which can add up to a decent lump sum," says Tern TV producer Simon Meek. "But if you're only asked for 5 x 2 minute webisodes, a £10,000 budget struggles to even cover the cost of development."

Bebo's Brett suggests it's not always necessary to achieve TV-level production values. "It requires a different approach that doesn't always prioritise money around how good things look."

Another dilemma facing digital producers is lack of visibility for content when it's launched. "You can't rely on the commissioner or media agency to market effectively online," says Hat Trick head of digital Jonathan Davenport. Indies need to build those costs into their budget more than they would for TV."

Producers could work with digital specialists who are arguably more intimate with the online marketplace. "We know how to generate noise and develop an audience," says James Kirkham, director of Holler, which brokers relationships between indies and platforms such as AOL and MSN. As advertising drains away from TV (ITV has seen its revenues fall 2.5% so far this year) there are some who see online as a more sturdy bet.

"I think online TV content will grow despite the recession," says Chitty. "Advertising is more accountable online and content can find audiences who are making a conscious choice to access it. That is manna to brands."

Case study: Quincy Taylor

A 3 x 4-minute comedy drama, *The Lost Archives of Quincy Taylor* is RDF's first MySpaceTV commission.

Although it will originate online, there are plans to launch it internationally as TV interstitials or to convert it into full-length TV series. The show, set in the 1970s, centres on a crimefighter with a murky past and is directed by Jay Torres, whose credits includes *Desperate Housewives*. "Serious original content budgets have emerged in the US," says Max Benator, co-creator and head of digital media at RDF USA. "Everybody here is working toward bringing broadcast television production values to the web," he adds.

"There's a huge opportunity here to grow an online and TV property at the same time," says Benator. "We can use the MySpace global community to launch the show but also air versions of it on TV in some territories, which will feed into the creation of more content online."

Case Study: The 37

Tern Digital has created *The 37*, a 6 x 2-minute drama which the indie is self-funding before pitching to Nokia, among others.

"We've created it in HD and in a way that works on any platform," explains producer Simon Meek. The work is seen as an online pilot and could become a key property for Tern. "Once you've invested in a production pipeline, online content only starts to make financial sense if you can get a volume commission so this is designed to be scaleable," says Meek.

The 37 has been storyboarded by acclaimed comic-book artist John McCrae and mixes his character artwork with high-res background photography and objects created in 3D software tool Google SketchUp. The production process uses an animation system that Tern developed in-house. This

creates "3D-puppet shows" out of supplied artwork. Renowned electronic musician Si Begg created the soundtrack.

"By working with McCrae and Begg, The 37 comes with a ready-made fanbase," says Meek. "Instead of pitching on a single A4 sheet, digital platforms feel safer seeing a work in progress. It's more of a gamble for us, but with a potential audience in their billions there's always the chance a fresh idea might breakthrough."