**Digital On Demand: Show Us The Numbers**

Liesl Copland

*Video on Demand is a fast-growing distribution sector for films. But unlike theatrical box office reporting, cable companies and other video viewing platforms don't report viewership in a uniform and transparent way, leaving filmmakers and the industry without any benchmarks for where audiences are engaging with their content. Liesl Copland, of WME's Global Finance and Distribution and Digital Media groups discussed the future of Big Data and the need to change the system in a rousing speech at the TIFF Doc Conference this afternoon. She emphasized the need for transparency in the VOD industry and called upon filmmakers to demand it. Read her full speech below:*

You may have seen a [New York Times article](http://www.nytimes.com/2013/09/01/business/a-data-broker-offers-a-peek-behind-the-curtain.html?pagewanted=all%29&_r=0) a couple of Sundays ago that profiled one of the largest consumer information gathering companies in the world of "Big Data" - the Acxiom Corporation. Acxiom, founded by a former Microsoft executive Scott Howe, was doing something novel and perhaps even counter-intuitive.

They created a website called [Aboutthedata.com](https://aboutthedata.com/) that allows you and I to view our consumer profiles - all of that information that is secretly gathered every time we make a purchase, and that advertisers are eager to know so that they can specifically target their products.

Now on this site you not only can view your profile - but you can engage with that data - editing it to better reflect your consumer behavior, and even choosing to opt out of the system completely.  In an industry known for its lack of transparency, this is a truly disruptive move on Acxiom's part.

By crowd-sourcing consumer behavior, Acxiom hopes to breed efficiencies that advertisers have dreamed of and that will make us as consumers less annoyed by those targeted ads.

I decided to check it out for myself. When I looked up my own profile, I realized that the system isn't flawless. For instance, Acxiom pegged me as a "high-volume/low-end retail purchaser" -- which I was truly hurt by, having spent a considerable portion of my disposable income stocking my closet well beyond my means with upscale retail items.

But I decided to take control of my data nonetheless. After filling out a couple of questions and making some changes to my personal information, I suddenly realized that it was not only kind of fun, but revolutionary in that I was playing a role in crafting my consumer identity.

This two-way and participatory nature of where consumerism is going was sold to me in an instant. And while our personal data is certainly a hot button issue these days, I have to give Acxiom credit for bringing the consumer under the tent when it comes to their data gathering goals. And hey, if it means that I'll be receiving fewer credit card offers and more notices about sales on upscale kids' clothes, I'm all for it.

All of this made me think about our own industry, and what could be possible if there was more transparency about our data.

I think a lot about how data relates to our business. As we're all too aware, it can be currency for how our projects ultimately get off the ground.  I got this bug, as I mentioned the last time I gave a [talk](http://www.indiewire.com/article/liesl_copland_dear_theater_owners_fear_not_-_you_are_not_going_anywhere) here in 2009 when I worked for Netflix.

Seeing film lovers put movies in their queue when festival awards were announced half-way around the world sparked both my inner data geek and opened my eyes to where movie consumption - particularly documentary viewing - was going. The big, opaque world of "digital media."

So, that great unknown is clearly here to stay.

And here's what it's telling us: the viewership for documentaries is increasingly happening on "home" entertainment platforms:  Netflix, iTunes, to some degree Hulu and Amazon.  In addition a lot of new platforms have cropped up - a few in that strange and new "crowdsourcing" category I mentioned (a-hem) and many on the consumption side like VHX and Chill.

Theatrical has even become digitally "enabled" and "on demand" with platforms like Gathr and Tugg,  – and hence you have heard of titles like Indie Game, Sound City, Girl Rising and #Regeneration.

Along the path of innovation, the "new" undoubtedly favors the documentary, whose audiences are passionate, leaning in, eager to eventize and highly "gatherable," and increasingly interested in seeing all the great stories that you filmmakers are compelled to tell.

The digital world is rich with data and documentaries are overindexing in the digitally enabled present, so suffice it to say, I found the "novel tactic of openness" mentioned in the Acxiom article reassuring. But not all platforms are equal regarding the data they offer, and hence the title of this talk today -- "Digital on Demand: Show Us the Numbers."

My goal here is to give you a snapshot of data tracking in the digital space now, some input on what we’re missing, and a few solutions to get us closer to that novel idea of "openness."

Of course, the motion picture business is no stranger to data.  We use a lot of consumer research in our industry – MPG theater test screenings, Rentrak home video numbers, Nielsen ratings, online tracking, exit polling, focus groups – there seems to be a measurement system at every point of a film's lifespan.

Studios and agencies like mine pick our poison and try to get ahead of the curve and the world goes round.

But there are some analytic "black holes" that we - the buyers, sellers, and content creators - can't see into. For starters Netflix, iTunes, Amazon, and Hulu. And we are receiving data but there is no uniform reporting or clarity along the chain that would allow us to really do something with that information.

A "viral video" from the last week or two is also relevant to this discussion about data and content. You may have caught this speech from Oscar-winning, Emmy-nominated actor Kevin Spacey at the Edinburgh Television Conference.

In it he discussed his experience getting "House of Cards" off the ground, and how Netflix and similar platforms are affecting the traditional television development model.

Spacey sort of embodies the bridge between old media and new; he is the Artistic Director of the Old Vic Theatre Company in London and the co-founder of Trigger Street Productions and Labs with digital pioneer and social media maven Dana Brunetti.

If you haven't seen [Spacey's talk](http://www.youtube.com/watch?v=bGQch6VBu1M&feature=relmfu&nomobile=1) yet (which some of you probably have since it's already had more than 1M hits), I encourage you to watch it.

One of the most interesting things he said was that when he, Beau Willimon and David Fincher met with all the networks in pitching the series "House of Cards," something unique happened at Netflix. They said, and I quote: "we looked inside our data and know our subscribers will enjoy your series --  'we believe in you.;" (  He also made a point that should be very compelling to content creators in the room about the difference between the traditional TV pilot model and the "straight to series" /"House of Cards" model.

He implied that there would naturally be a different product at the end of these two processes by the very fact of how they operate and strive for success.

Netflix greenlights approximately 13 episodes at once, releasing them at the same time, trusting that the audience is going to allow the story to play out.  In the traditional model, networks order about 100 pilots a season, air about a third of them, and decide what they will send to series based on the reaction to more or less one block of 22 or 44 minutes.

The full season approach allows for and recognizes that it can be afforded more patience from the audience. Meanwhile in the network model, makers of TV pilots have to describe everything that's at stake, define all of the characters and their motivations, and wow and cliffhanger their way to a positive response from execs and focus groups in less than an hour.

Spacey talks about how focus groups almost tanked "House of Blues" for all the wonderful characteristics that made it so unique and special, and draws our attention to how both "The Sopranos" and "Seinfeld" developed audiences over 4 or 5 seasons before reaching their peak. Sometimes content needs time to connect with its core audience. And sometimes that might not even happen it a film or TV series' primary window.

At the recent season premiere of season 5.2 of "Breaking Bad," the accumulated audience from the series picking up speed on other platforms - ringing in the highest ratings to date - was called "The Netflix Effect.

People are watching things out of time, on demand, and that very fact is also giving the content more of a chance.

Most of the platforms showing content out of time are creating original series, but the point is the data set is helping them do it in potentially more effective ways, and also helping audiences connect with them, paying dividends back to the creative process.

Of course we know that both Netflix and the networks have data.  But the types of data they have are very different.

Over the past decade Netflix has developed a much more complex data set for film and television content viewing.  They know everything you and I have ordered since the day we became subscribers.  They know if you consistently rate content from different genres, if you're watching "Breasts:  A Documentary" in the middle of the afternoon…they even know if you are cheating on your spouse - [Have you seen those ads](http://nymag.com/thecut/2013/05/netflix-adultery-afflicts-half-of-relationships.html)?

I can see the engineer who was puzzled at the behavior of all of these households watching episodes twice.  Probably right at the beginning of a binge, and intuiting that it meant someone in the household couldn't wait to get further ahead into their favorite series so they committed Netflix Adultery.

Networks don't have data at such a sophisticated level.

They don't have the ability to see all of the series that you're watching, they can't follow what you’re watching on your office computer, and they definitely don't have insight into what series you are passionate about, evidenced by a weekend of binge watching, willingness to sit through an episode twice to keep your marriage alive, or whether you give a series of film a 2 or a 5 star viewer rating.

The idea here is that access to data is not enough. More so, it's the complexity of that data and the ability to relate it to data about other content that will ultimately allow creatives like many of you in this room the opportunity to make better content. And relate it across platforms.

So if this is a means to richer content and more engaged audiences, where are we with gaining access and analysis of this data?  While we have insight into some of the data, the reporting hasn't evolved with the rapidly increasing viewership patterns. There is still no uniform reporting system that aggregates all data on, say, a film or documentary across all of the platforms.

Here's a brief primer on how home viewing has been traditionally measured:   At the outset of home viewing, the ad supported model took hold and it was part of the institutionalized Nielsen system – what we all know as the barometer by which ads are sold and series are judged.

As the VHS and DVD came to bear, viewership tracking adapted to include DVD rental and sales. With a Rentrak subscription you can pull up most of the market on a DVD (aside from Wal-Mart in some cases), but overall the system is an accurate measurement tool.

But as we all know, home viewing has shifted from an ad supported model to one of digital transactions and subscription viewing.  There is no ratings equivalent in this space, no title-specific tracking system available to all data subscribers about "on demand."

Cable VOD viewership is tracked and I have some numbers to share on that in a minute. But for the moment this space is equivalent to a landfill in an earthquake - all the patterns go haywire. We - as the subscribers to the data - can't track performance across media at even a title level when it comes to the cable VOD platform.

We are able to get data on our titles if we are the network or distribution company, but the data is not transparent like Nielsen or Rentrak’s data across the industry.  We have experienced the day-and-date boom (starting in 2007) and bust to independent film and still we have no system of reporting.

If you're lucky enough to be on the other side of a movie's release, you may have some additional data -- the accounting statement can be a hefty tool into this fuzzy world. But in many ways, information actually gets even more confusing and frustrating because the data - what the revenues are from various platforms and windows during which your film has been exploited - are lumped imperceptibly together into a few seemingly simple categories that aren't telling us enough.

We don't know if more people bought a film at $2.99 vs. $12.99, we don't know if they loved it so much that had to own a digital copy or if they just were happy to stream it. And we don't know if it over-indexed on iTunes like "Conan O'Brien Can't Stop" and "Marley"; or found more of an audience on cable VOD like maybe "Joan Rivers"; or whether it ran a more or less consistent audience, evergreen on Hulu like, say, "Super Size Me."

I am not citing actual performances here – maybe making educated guesses – but that’s exactly it. I can still only guess.  If we could make even the simplest of connections, we could learn things.  But of course, the platforms are learning, and the scariest part of all is that they are learning how much to pay for our content.

I think one of the reasons why this lack of reporting gets little attention is because if you look at the digital space in general -- and by that I'm primarily referring to the web -- the metrics business is presumably thriving.

Dozens of information systems like comScore, Mass Relevance, Google analytics, Klout, ContentID and ZEFR have cropped up that literally measure every click of online activity - online or fan - and every shade of gray of relevance among taste-makers.

But when comparing these tools to what is available on the "on demand" platforms we're discussing today, the black holes are really overwhelming.

Let's take a look at them:

VOD : Almost half the country is watching VOD via cable. 8.9B transactions in 2012, 78% of which were "Free On Demand" (FOD), 19% were "Subscription On Demand" (SVOD), and 3% were "Transactional On Demand" (TOD).  \*

Not surprisingly, among FOD content, the "TV Entertainment" category is the leader with over 2.3B transactions and 1.3B hours of viewing in 2012.

The availability of more long-form content is driving the categories growth.  \*

Extending the IP's value via FOD... The "TV Entertainment" category reaches 30% of cume transactions by Day 3, 50% by Day 7, and 72% by Day 15.

In other words, a significant amount of viewing is happening beyond 7 days, which means there is an opportunity to monetize content well beyond the "7-day window."

Among the three SVOD PROVIDERS, we see a lot of activity on a monthly pay model. \*

NETFLIX has 37.6M Global streaming subs, \*HULU PLUS - 4.0M subscribers, available on more than 350M mobile/connected devices. \* AMAZON PRIME, 10.0M subscribers, and so on.

In 2012, PRIME members accounted for roughly 4% of AMAZON's 182M active customer base, but they accounted for nearly 10% of purchases and they spend twice as much as non-prime customers on the platform, $1,224 vs. $505 per year.

iTunes is a little different, it's a TRANSACTIONAL platform but practically ubiquitous, and some of those VOD numbers on your accounting statements are coming from rental on the platform.  Apple's iTunes music store is now home to 577M users, adding nearly half-million new accounts every day.

At its current rate, Apple will add another 100M iTunes accounts by the end of 2013, and have served up over 15 BILLION media downloads.

But you and I don't know anything about them beyond what the analysts tell us in aggregate or what Apple or Amazon chooses to reveal.  And that is a LOT of valuable information that we are missing out on.

Consumer behavior varies greatly across these platforms and is measurable against entirely different things.

At the moment, cable VOD has virtually no user experience, no algorithm offering more movies similar to those you have watched or paid for, no metadata - it is, as people lament, an alphabetical list of titles "foldered" into a growing number of categories.

To put it mildly, discoverability is a bitch. Now, of course the cable companies are working on this because they too would love to be able to serve up more transactions by title than 3% of the overall usage on the platform. And believe me, business will grow when discoverability gets better.   By comparison, Netflix allows you and your household to curate your own content library, Amazon can correlate film recommendations to things you purchase and read. Oh, and it controls the Internet Movie Database which is a sleeping giant of a film network. And iTunes has a ton of information on price sensitivity around content.

The fact that this data exists and we still can't see it or cross-reference it across different films is truly an oversight whose time has come to bear.   We can't have any leverage in a market if we don't have access to this information.   Simply stated, the player that controls the information has the upper hand in a deal.

We're missing out on opportunities here. Transparency breeds efficiency - it shows what's working, what isn't. What programs, genres, nights, talent, themes are generating audience interest. Where audiences are, go after they watch, to whom they tweet and post and share.

Consumers should want this because right now the studios are only relying on their own data, making for poorly researched greenlight decisions. Studios should want this because they will be able to access their competitors' data as well as their own. And the data companies should want this because it will maintain their relevance and hence increase their revenue in this new content ecosystem.

The technology exists, but perhaps the will does not. Right now huge deals are being structured between these platforms and the studios. Libraries of content are being turned over, and so far to my knowledge, no deal has included the rights to see detailed consumption and viewership data on a mass reporting level that can be cross-referenced.

I don't think anyone wants to diminish the huge expenditure, both financially and intellectually, that these platforms have spent to create their products and algorithms, and gather all this consumer information that helps them grow their businesses.  But it seems unfair that the people who are creating this content are boxed out of learning about their own audiences.  And for filmmakers like you this can be maddening, considering that every festival panel features execs like me telling you to "know your audience."

You have the power to track audiences through social media, ask for their emails, encourage them to tell their friends about your project and ultimately tap into their networks.

Now, this where I envision the utopian future that I have to believe will eventually become a reality.  Imagine we will one day track a film's audience from the very first point of discovery - say here at TIFF.

We will follow it through theaters, gaining audiences, and emails - pick up who watched the trailer on various websites. Who bought a ticket, then voted 5 stars on some app that knows they left the theater and then tweeted about it, causing an additional 25 people to see the film the next day.

Follow this pattern through exhibition, VOD, all the other platforms and distribution windows... or reach back perhaps to the film's crowd-funding campaign and discern who the film's most influential evangelists were. And then use this data to cross-reference it against other films with either similar or entirely different characteristics to uncover what audiences are responding to.

I don't think my utopian future is very far off.   And for docs, very much the beneficiary of these new technologies, the present is bright.  That same week the Acxiom and Spacey news hit, The Economist published this [article](http://www.economist.com/blogs/prospero/2013/08/rise-documentary-film) about the rise of documentary films in the UK. One point you will find particularly interesting and that many of you I am sure have read, is that Netflix is now producing documentaries as it moves further into original content.

But the article moreover is about the new health in the documentary space – in this case in the UK.  The genre has been making better content – a "new breed of theatrically-minded, more commercially viable documentaries” and the numbers, at least in the UK, are growing.  So I wondered about the numbers in North America, and so I did a little digging.  The numbers are growing year over year here as well.  One theory is that day-and-date releases are bringing a large number of docs and films in general into a small number of theaters for a brief time to create awareness for a multi-platform release. But nonetheless, we are on the rise – and since we know docs do so well on all these platforms, now all we need is the data and we have a perfect system.  So how could we engender this Utopia even more?

Books have ISBN numbers, every single product we purchase has a UPC code or some sort of tracking system associated with it. So why the bleep hasn't the movie business been able to come up with some sort of equivalent? Why isn't there some sort of universal code or content watermark that follows the shelf life of a film and provides us with valuable information along the way?

Well that would mean that every movie ever made would have to be cataloged. A Herculean task to say the least, much like mapping the entire human genome or every street corner on the planet (hint: Google), or cataloging every book ever put into print or... something as completely insurmountable as that...So what can we do until the impossible becomes possible?

CROWDFUND: on sites like Kickstarter and IndieGogo, you can engage directly with super passionate early adopters or "alpha audiences,” get their email addresses, bring them on as evangelists.  KEEP THEM ENGAGED and watch your social footprint grow.

USE NEW PLATFORMS.

HELP IMPROVE USER INTERFACE.  Cable promises to improve beyond the alphabetical list, but look at VHX and Chill and see what the future should be.

CONTROL YOUR METADATA, INPUT IT SOMEWHERE.  EVERYWHERE.

SHARE INFORMATION. Create a Wikipedia of reporting until such time we have a uniform reporting and metrics system.  And someone invent the Universal content SKU please.

If you are a member of a guild, think long and hard about the negotiations coming up in 2014. Many of the big platforms that control a lot of your audience are not at the table and don't have a uniform contract with the studios.  This near-future transparency could have a watershed moment in those negotiations where monetization of new media is likely to rear its head again as a hot-button issue.

You can start having an impact on the metadata right now, here at the film festival. Ask your festival coordinator what you can learn from the behavior of the audience here and on the TIFF website. Find out how many trailer views you have and share share share.

All of this information should be part of the conversation.

Hollywood is woefully behind but with a little ingenuity and passion from all of you, we can catch up and eventually surpass the present reality.  I am very optimistic and deeply believe in the possibility of a clear, transparent reporting model that gives us visibility into everything. One that makes us all smarter and better at making movies, frees up the artist, and creates more engaged moviegoers who are eager to support fresh voices.    I am happy to have a little, but hope I don’t have to have too much – patience.