

## **Conclusions Conecta Think Tank 2022**

### **Conecta FICTION & ENTERTAINMENT 6**

"It is so grateful to be back on site" was one of the most heard phrases in this edition of Conecta 2022. Finally, after a devastating pandemic, the international audiovisual industry "could see each other's faces again" in Toledo. The appointment could not have been in a better place. Toledo is a medieval city of unparalleled mystique. Den of Templars and necromancers. And now, thanks to this Conecta 6, it has become the cradle of the new stories sealed within the framework of the festival.

Undoubtedly, one of the highlights of the week was the Conecta Think Tank, the event that kicks off the Conecta. The Conecta Think Tank was created to provide the greatest exponents of the industry with a special day. We are talking about a day of reflection, evaluation and conversation on pending and relevant issues that occupy the global audiovisual community.

This year the meeting took place in an extraordinary property that runs as a film location too. The Cigarral Finca Quinta de Mirabel opened its doors for professionals from as far away as Latin America and the Nordic countries to converge under Toledo's sun. At each of the round tables, the topics of conversation addressed common concerns. From the need for new business models and forms of distribution, to the threats, opportunities and strengths faced by producers and platforms. Predictions and trends were analyzed to elucidate whether the packaging of talent leads series to be more successful, how to face the battle for IP and the future of content.

When asked about their experience regarding the evolution of AVOD, SVOD and PPV models in OTT, the participants expressed different concerns. In reference to AVOD there is a lot of lack of knowledge about how Rakuten, Pluto TV or Tubi are going to proceed. It is well known that these platforms need to generate additional revenue and the best way to achieve this is to target specific socio-economic segments. Going after audiences that cannot afford to pay for one, much less, several platforms. The AVOD strategy is to launch these services in addition to their mainstream. Most of the Conecta Think Tank tables find logic in this action. These platforms already have the content and the rights, the implementation of this new model is the best and easiest to carry out.

As for reinstalling PPV versus the benefits of SVOD, two positions emerged. For some, PPV is necessary. Certain contents have such a high cost for rights and production that it is difficult to include them in the platforms' offer. For others, in the case of SVOD, the advantage is to be able to stand up to piracy. The offer of better-quality download and off-line viewing is still tempting.

100% of the consensus was given on niche content in Free TV. However, as it happened to cinema, with the emergence of TV, platforms pose a threat to Free TV. The focus on certain niches presents a promising alternative. If Free TV focuses on sports events, shows, news and entertainment, its survival is guaranteed. After all, it is worth remembering that even today, Free TV's communication and promotion reach is still dominant in the audience.

In fact, this dominance presents an opportunity for platforms to promote their content. The proof is in strategic alliances between some platforms and Free TV, which can be seen in the dynamics of premieres. For the platform, the joint premiere of a series or the first chapters of a series on Free TV means a quantitative boost at a promotional level. For Free TV, having premium content in its programming is a more than welcome gain.

Topics such as packaging and attracting & retaining talent were central to the event. In general, there was agreement that there is a trend that is becoming more and more established. Having talent is not only of great interest but also a priority for platforms. The currency to retain talent is the "dual role" strategy.

In the case of star directors, they are offered the chance to become showrunners. This essential figure in the American industry began to permeate in the early 2000s in Europe and Latin America, gaining more importance every day. In spite of this, who a showrunner is, what is his or her training, profession and what does a showrunner do is still not entirely clear. According to how it was conceived and its function in the Hollywood industry, the closest equivalent in our context would be the executive producer and not the director. However, many platforms offer this role to their directors and the role of executive producer to their actors.

In order to keep the pool of acting talent alive, in addition to officiating as executive producer, they also offer their actors a special participation in other products of the platform. In this way, the public has a double opportunity to see their favorite actors. Having a guest star in a show not only means greater promotion, but also reaching an audience that in many cases would not watch that product. However, it remains to find the answer to the dilemma of what matters more, the actor or the story: does an actor, by himself/herself or with their mere starring role, make a movie or series successful, or is it the story that makes an actor successful?

In the case of authors, the way to engage them is the "one-for-one" trade. To a series they write as an assignment for the platform, the platform produces them a story of their own. The consequence of this engagement model has two complex edges. While the demand for content has grown with the launch and competition between platforms, the urgency to produce content has also grown. The urgency to produce it more quickly has also grown. The flip side of this goes against the fundamental premise of screenwriters: the longer the development time, the better the work. How to compensate for the lack of time with respect to the greater need for creative flight? The usual Hollywood way is to have an authorial team of 6 to 8 excellent screenwriters. Of course, in the Hollywood industry, the unions establish the fees that the members of the famous writer's rooms must receive. And the network or platform is responsible for paying the fee of each participating author. When asked who financially compensates the inclusion of more authors in our series or films, the answer was not encouraging. All participants agreed on the difficulty of making this decision. Because the extra cost comes out of the pocket of the authors and producers themselves.

Among the opportunities, threats and strengths that were put on the table, the hot topic was the loss of IP at the hands of the platforms. Currently, it is almost impossible for a producer to retain all or part of the rights to its intellectual property. In negotiations to get a project done, the need to make it happen is more important than the desire to keep the IP rights. This allows the platforms to negotiate for themselves the perpetual rights to the ideas and the full and universal exploitation of the final product. In return, producers, authors and directors only receive a fee for carrying out their work. In a climate of despair, the general perception is that the battle for IP, for now, is won by the platforms.

Another difficulty generated by the race for new content is the requests from networks and platforms to adapt or remake previously produced series or movies. Revisiting their libraries or trying to revive classics in new versions is a more usual request than we suppose, some commented. It was the film producers who emphasized the other serious problem, besides the loss of rights, that this presents them with. Without the possibility of movie theaters distribution, recovering the investment is impossible. Because the platforms pay for the new work not as an "original" but as a "ready-made". The film producer has neither the movie theater revenue, nor other exploitation windows. The platform keeps everything, the ready-made and its international rights. Is it okay to ignore the joke that Marcel Duchamp must be turning over in his grave when faced with the use of his great invention?

In house production, which some platforms already carry out, is perceived as a third threat to producers. Many platforms already have their own hubs (studios, technical facilities, development teams and producers), so they offer fewer and fewer production services. But it is also that the captive talent they hire or retain is causing an increase in essential services such as writing, directing and technical services.

As the conversation turned to the future of content, the prevailing view is that platforms sense that audiences are demanding more and better stories. Despite this, the industry is moving cautiously. Instead of multi-season series, the preference revolves around "limited series, event series or miniseries". When in doubt about whether to order one or three seasons of a new series, platforms have found middle ground. Now a recurring request is for authors to conceive their content as "limited" (series of only 6 to 8 episodes), but with the possibility of developing a second and possibly third season, in case of success. The premise is to take advantage of an event as long as possible. When a first season is successful, a marketing strategy is added and a second season is ordered, trusting that the "word of mouth" will also generate viewing.

In terms of co-productions, two models are thriving. One is the union of producers and Free TV, sharing exploitation windows and joining a platform. The second is agreements between production companies with financial capacity and the platforms, co-financing the development and production of projects. In both cases, the alliances are made in order to minimize risks and joint participation in the creation of content. A third way is co-production between countries, which works as long as organic stories are conceived, in which sense and verisimilitude prevail. Forcing a story just to bring in an international co-producer undermines the final product.

The Conecta Think Tank also predicted the end of some launching models. According to experts, the strategy of releasing all the episodes of a series together only worked because of the novelty. Initially when one of the major platforms started scheduling all the episodes of the series together, subscribers went crazy. The ratings showed that the audience turned to watch all the episodes of their favorite series in one sitting. The phenomenon of "binge watching" was born. But after the pandemic and with the public returning back to normal, the drop in subscribers imposed a rethinking in programming. With the immediate consumption of a whole series, comes the demand for another series of equal quality. This brings with it the extra burden of generating a lot of content in order not to lose more followers. As the participants mentioned at the beginning of the day, in many cases, urgency is the enemy of creativity. The continued decline in the number of subscribers is proof of this. That is why it is considered that going back to the old way of launching one episode per week makes it possible to see the light at the end of the tunnel.

Another tactic that has been implemented is the return of a format that always gives good results: teleseries. The aim is no longer to produce 120 episodes, but only 40 to 60. The goal is to capture the telenovela audience as well as fans of multi-season series. In addition, a 40-episode teleseries requires much less production investment, while the platform gains in content volume. Melodrama, as well as family comedies, romantic comedies, heist and thrillers remain the most attractive genres for audiences. Although horror, docudrama and factual are also finding a new demand niche. In terms of formats, entertainment leads this concept, where game shows and competition shows (cooking, singing, etc.) are adapted in different countries. Although it is seen more on Free TV, platforms began to demand this type of content.

Arriving at the end of the day in the wonderful environment of a cigarral in Toledo, the final conclusion is that unity is strength. Only by exchanging opinions, information and views on the local industry will we be able to open the necessary new spaces in the international industry.

*Conclusions written by Álex Lagomarsino and Marian Sánchez Carniglia.*

*Moderators of the Conecta Think Tank 2022 round tables - Ella Cohen, Fabia Buenaventura, Gloria Saló, Hannah Walsh, Isabel Durán, Jesús Rubiera Fernández, María Rúa Agüete, Mike Villanueva, Teresa Azcona.*