



Conecta FICTION & ENTERTAINMENT 2023
Think Tank - Conclusions

1- What is proposed for both producers and creatives (or other roles) to retain some of the intellectual property or benefit from the success of TV series/programmes/entertainment/docuseries?

Today, content creators and producers are at a disadvantage facing the platforms in terms of retaining some or all of the IP. OTTs acquire and retain all rights in perpetuity, leaving the producer to benefit only from the *production fee*. In the case of scriptwriters, they are sometimes paid, in addition to the scriptwriting, a *fee* for the assignment of the creative/IP rights. In the case of music, although they pay for the creation, platforms sometimes prefer to use a library of released music instead of paying for the rights of use, thus avoiding paying royalties.

There are producers who, knowing that there is no room for negotiation with the platforms, see the benefit in the fact that at least their series managed to reach a global audience. The lack of transparency and data on the part of the platforms, in terms of the shows' *reach* (*eyes-balls* and audience interest) does not allow producers to know for sure what the value of their creation is.

Some of the avenues that creators/producers could pursue in their next negotiations include:

- Setting a maximum production deadline
- If, within an option period, the platform does not produce the content, the IP rights would revert to the creators.
- Assign rights in certain territories and/or time periods, with the creator/producer being able to share in the profits of exploitation in the other territories or at the end of the option period.
- Licensing the content (*readymade*) to the platform instead of assigning all rights - this would require the creator/producer, in addition to providing the IP, to contribute money to the production, having the right to retain part of the IP.

Some see the need for legislation on the right to PI, on the understanding that only congresses can change the rules of the game and the participation of each *player*.

Content seems to have lost its crown, but no one really knows against whom. Who is king now? Is it the audience? The platforms? The investors? It sure isn't talent today, as creativity is not getting the compensation it truly deserves.

2- What do you think will be the impact of A.I. (Artificial Intelligence) on the entertainment industry?

As AI advances and improves, both risks and opportunities arise for all players in the industry.



One of the main fears is that AI may eventually replace humans in various roles in the entertainment industry. From another point of view, AI can be an ally if we can understand the roles and what tasks it can facilitate.

AI is influencing the way content is created and produced. Screenwriters could use AI to generate drafts and save writing time, or use it as a source of inspiration to overcome creative blocks and gain new ideas and perspectives.

On the production side, AI could significantly decrease costs and execution times, as well as provide additional knowledge on contracts and legal issues, which benefits those working in new markets who lack experience in the field.

Some producers noted that as AI algorithms become more sophisticated, there is a challenge in discerning between AI-generated content and content created by humans. While AI can mimic human patterns, there are still real emotional elements and connections that humans can bring to entertainment. This raises the importance of maintaining authenticity and emotional connection in the content generated.

The ability to adapt to AI becomes crucial for all industry participants. Those who fail to adapt risk becoming obsolete in an environment that is already changing. However, AI can be a companion tool that enhances the work of all roles involved. It provides access to a wealth of already learned information, expands creative possibilities and improves decision-making in areas such as production and distribution.

In addition to the benefits, there are ethical and legal challenges that AI poses to the entire industry. Copyright protection and the need to adapt laws to regulate the use of AI are important issues they highlighted as important to consider. Some actors have already called for blocking image rights to mitigate future risks.

While it is unlikely that AI will completely replace humans in the selection and creation of novel content in the coming years, it is important to keep an eye on its progress and the real impacts it may have on the day-to-day life of the entertainment industry.

Screenwriters seem to face the greatest risk at present, but they also recognise that those who adapt to this technology may find it an ally that enhances their work.

An interesting thought would be that instead of asking what the impact of AI will be on the entertainment industry, we should reverse the question and look at what will happen to human intelligence and its evolution in the coming years with the advancement of AI.



3- What role will social networks play? Twitch, YouTube, Tik-tok, video games, etc.

What is the power of content marketing and communication, and does this power work in social media content/digital audiences?

Today not many producers are aware of or use social media. There is a lack of knowledge on how to use social media effectively.

Exclusive new research from Omdia reveals that YouTube, TikTok and Twitch are the most popular video services among under-24s in Spain. Netflix remains popular among all other age groups.

"TikTok, YouTube and Twitch are dominating the Gen Z market. Netflix remains a key player and is appearing in all other age groups, but not with millennials.

TikTok has been enhancing its services in various entertainment categories. Offering exclusive content, live streams, interviews and behind-the-scenes scoops.

TikTok expanded its presence in the football market in June 2021, with its global sponsorship of UEFA EURO 2020. It also formed partnerships with broadcasters, players and pundits to create a unique content pipeline for its platform.

It is important to know where the eyes of the target market are (OTT, FreeTV, YouTube, TikTok and Twitch). It is a myth that Generation Z does not watch public service broadcasters, as research indicates that FreeTV (terrestrial or DTH) figures are quite high. The second screen is also critical for Generation Z, as they use their smartphones to consume a large amount of content.

4- What content do the platforms require: fiction, entertainment and/or events (sports, other, PPV), what do you think will be the trend?

- Duration: long or short series. Long-short formats, etc. Self-conclusive or seasons.
- Genre: Drama, Comedy, Family Comedy, Action, BioPic, Docudrama, Soap Opera, Factual, Talk Show...

There is a trend for OTTs to invest less in original content in order to pursue co-productions. The investment in high-budget fiction is related to recognised IP - the adaptation of books, and spin-offs. The other trend seems to be the platforms' interest in low-budget content, expanding their catalogue offering, both to subscribers, and to the market, selling *ready-made*.

In entertainment and non-fiction, there has also been a shift in direction. Platforms seem to be more interested in non-fiction, as it can generate higher profits and impact at a lower cost, as well as the possibility of adding it to their distribution catalogue as well.



While it would be premature to think that OTTs will start programming live events, Amazon's purchase of Operación Triunfo and the fight for sports rights 'seem to indicate it'.

In terms of formats when talking about long or short series, the "self-conclusive" versus "seasons" trends show another fine line between TV and OTT. Short formats are a big bet nowadays. There are two benefits, they tend to go viral among younger audiences, competing directly with third party platforms like Tik Tok, and they add original content to your offer.

In terms of genre, the paradigm has completely changed after the pandemics. "Blue Sky: The formats "Feel Good" and "Guilty Pleasure" are trending against drama and other traditional genres that were the platforms' big bet in their early days. According to the algorithms, the search for "glocal" programmes has intensified, with melodrama and telenovela being the main genres in demand. Universal themes and stories in new and traditional settings.

5- Do you think platforms will segment by audience, content and/or OTT, VOD, FAST, PPV, or will they compete between services?

In terms of the ability to diversify and compete between different types of VOD and AVOD services, the major studios have the advantage when it comes to diversifying into new forms of distribution thanks to consumers' broad brand awareness. Audiences are attracted to brands or franchises they recognise regardless of the type of platform. However, with so much choice in the marketplace, frequent rebranding of a company's services to add new ways of watching and different types of content creates consumer confusion.

A niche content and/or audience can be a real advantage, provided the local market is large enough to support it. In smaller markets, it was anticipated that smaller services will be forced to merge to survive alongside larger platforms, as domestic audience budgets can only stretch so far across so many subscription-based services. The content boom and proliferation of service types has opened up new opportunities and driven growth in many international markets, and many participants had concerns about what the impact of such consolidation would be on producers.

For some content providers, diversification was more a matter of survival than strategy. For national broadcasters, for example, diversification from linear TV to on-demand streaming has often been more a matter of necessity and a response to changing audience behaviour than a proactive strategy. Now that many broadcasters' VOD platforms are well established, however, there is optimism that they will be able to leverage their existing niche audience with perhaps the prospect of co-producing more with each other in the future to share the burden of investment. Some argued that the FAST channel model offered a means to adapt traditional linear programming for online distribution as audience viewing habits increasingly shift towards streaming.



6- OTT & Free TV: Competitors or complementary (synergies) - what would be the models?

Undoubtedly, the industry has been transformed in recent years, the need for traditional TV models and video-on-demand services to coexist has become apparent. It is fair to say that OTTs are helping to bring value to a lot of generalist TV content, even many years after its original broadcast. This shows that there is no complete overlap of audiences. And, above all, this coexistence makes it possible to establish creative financing formulas and to launch more ambitious content with bigger budgets.

There is a difference between the two models: generalist channels have clearer and more consistent editorial lines, while AVOD/VOD services often lack them, which, together with the difficulty of understanding local markets, is hindering the current development of production. On-demand services have provided elements that sometimes were not so well taken care of by generalist channels, such as musical setting, post-production and marketing. Generalist television continues to shine in genres such as large entertainment formats and in creating consumer habits that continue to be the most valued in the audiovisual industry. However, they are struggling to adapt to new audiences and have not yet developed a truly competitive offer with their own video-on-demand services.

Finally, creativity must stimulate public television. It is key to energising the market and building communities. To this end, they must trust creators more, promote independent production and commit to innovation. They must also understand culture as a broad concept, not restricted to high culture, and appeal to children's audiences.

7- Scripted/unscripted formats - e.g., are the contributors open to adapting existing formats? Why/why not? What do they look for in a format - i.e., is it track record, is it recognizable themes? Do they have certain territories they prefer to buy formats from? Why? What changes do you see in the narrative of the series/formats/docuseries?

The most pertinent theme throughout the tables was about believing wholeheartedly in your project, championing your idea and perseverance.

Often the simple, local/authentic stories, the brave stories, become the most international and have the most travel-ability. We shouldn't be inclined or persuaded to produce something for everyone.

Having access to talent that can attract streamers (streamers being more inclined to assess the project if an interesting team is attached; show runners in the US and writers in LatAm).

Compatibility is key - who you are working with is just as important as the story itself. Co-producing is hard and ultimately we end up working with people we have great synergy with.

Born Pulseres Vermelles, the Filmax-produced Catalan series told the story of a group of Catalan teenagers battling cancer. This is an example of an extremely difficult theme, a hyper-local project that, combined with a hugely talented writer, Albert Espinosa, became a worldwide success. Ranking 15th in K7's Tracking the Scripted Giants: The Top 100 Travelling Scripted Formats 2022-2023, The Red Band



Society has sold to nine territories across the globe. Picked up in US, the format failed to capture the grittiness of the original story, shying away from the dark themes afraid that US audiences weren't ready for such a harrowing story.

Following on from this, MGM company Gato Grande highlighted the crucial role of execution within the production process, especially with regards to the international success of a series. Macondo also touched on the importance of character complexity as an integral element of the initial pitch. Furthermore, Macondo highlighted the convergence of the editorial line, finding the balance between what is tried and tested, a-la- mode and a proven success, against providing the audience with something fresh and new.

With regards to the power of universal themes, the participants touched on the production *Intimidad*. Covering themes such as local political sex scandal is a topic which resonates internationally. Initially receiving an underwhelming response from audiences, *La Casa de Papel* became an international success after being picked up by Netflix. The genre-blending show is a key example of how a story can fail to succeed locally but go on to capture audiences around the globe through varied relatable themes. You can alter various bits of the plot and fine-tune for your audience, but ultimately it is the heart of the characters and the series that resonates and translates.

Del Barrio Producciones in Peru found unforeseen success with two adaptations of drama series *Mi Esperanza* (My Hope in English, but also the name of the protagonist). The story tells the story of *Esperanza*, a young woman raped at a party, the night before she is due to leave for university. At the hospital *Esperanza* is seen by a nurse, who happens to be her mother. Enraged, the series follows the mother's pursuit for justice. Central to the storyline are the themes of familial love, mother-daughter relationships, and female empowerment; resonating with territories across the globe, with unforeseen success, selling to the Philippines and India.

Tackling the ever prominent theme of streamers vs linear television, In and Out Productions noted the dichotomy between scripted and unscripted success on the respective platforms. Unscripted tends to find better success on linear, whilst scripted shines on streamers. This is in part due to the more sophisticated audience of streamers.

It isn't commonplace for linear broadcasters to fund the production throughout the process. Paid development isn't as prominent in LatAm, with streamers seemingly currently the only partners paying throughout. Some of the projects discussed at the round table took between 4 to 5 years to come to fruition, therefore it is key for producers to find a partner that will support and fund the development phase in its entirety. Moreover, there is less editorial input when working with a streamer, which is a producer's dream.



Timing is everything. Amazon's Sergio Ramos docuseries found huge success upon its launch, leading to a second series being commissioned. Despite all the previous success, the premiere of the second series coincided with personal controversy, his departure from Real Madrid and his failure to make the national team, leading to a significant loss of viewers. Whilst the stars were aligned with regards to the team, the finance, and the production as a whole, the timing was simply off; ultimately, there is no algorithm for creativity.

For every success, there is an element of luck and definitely something that data can't help with. On the flip side, the launch of Amazon's docuseries El Talento coincided with a political willingness to revisit the question of ETA and reinitiate talks and dialogue with the political party.

Nostalgia with a twist, the twist being to bring in younger generations. For example, Operación Triunfo is returning to Amazon Prime, airing live, with the tagline "Como siempre pero como nunca". Evidently, Amazon are hoping the transition to appointment television is enough to capture a new generation and recapture the original audience.

Yoshimoto's LOL format was picked up for international distribution by Amazon. An extremely simple idea, 100% based on local talent, the success could only be guaranteed by access to local comedians. Generally, the elements of romantic comedy and suspense drama are prerequisites for success. The exception being Tiempos de Guerra, the strength of this being that it focused on a very specific period of time, 20th century Morocco during war, which was to capture an audience due to the period never having been depicted before. Atresmedia highlighted productions such as Velvet and Gran Hotel. In order to maintain younger audiences and engage them requires complex and sophisticated storylines, paying attention to the story arc and pace. This is far removed from the predictable slower pace and length of telenovelas which have quite rigid structures and generous timelines.

The participants who had co-productions/partnerships with Anglo-Saxon entities tended to favour projects originating from outer regions and diverse groups and minority voices. In comparison, Spanish and LatAm participants were more focused on content from the autonomous Spanish regions and countries outside of the Big 4 in LatAm.

8- Think Tank participants shared some experiences with platforms regarding contracting/business models, rights (intellectual property, territories, *back-end*) and production conditions (requirements, responsibilities, obligations).

Participants agreed that working with larger platforms has both advantages and disadvantages. The advantages are undoubtedly production budgets, global distribution and exposure. The disadvantage, of course, is that they keep all the rights, not allowing producers, actors and screenwriters to receive royalties, and on the other hand not allowing the films to be released in cinemas.



Regional film commissions were sometimes at a disadvantage when it came to attracting larger productions, as platforms were more likely to choose to film in countries and regions that could afford to offer more attractive tax incentives.

Many participants mentioned that their best commercial experiences occurred when contracts were agreed early and in detail, with both parties going into production with consistent expectations around their responsibilities and what was required of them.

The FAST and advertising model, which allow for revenue sharing, is seen as positive, although some content creators expressed uncertainty about transparent data sharing and understanding how platforms measure engagement and quantify revenue generated. It was suggested that data sharing should be an initial contractual obligation within agreements.

We would like to thank the table moderators for their work:

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- Alice Thorpe, Senior Analyst, Ampere Analysis, UK
- Rosario Buil, Iberoamerican Account Director, BB Media, Argentina
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Finally, we would like to give special thanks to the general moderators of the Think Tank, Álex Lagomarsino, CEO MEDIABIZ US CORP, Argentina and Marian Sánchez Carniglia, Professor Carlos III, Argentina/Spain, who have drafted these general conclusions.