

Summary and Highlights of the Bell Fund Digital Partnerships  
Roundtable – Old Habits, New Technology  
August 29, 2006

1. Aspects of Success

There was a wide variety of definitions of success from both broadcasters and producers. Strong and timely partnerships and regular communication to integrate the TV and new media components was widely identified as key to success. Other measures of success are:

- awards, traffic numbers, “buzz”, vibrant online community, audience engagement
- strong, cross promotion, integration of TV and interactive components
- early inclusion of advertisers across platforms
- international exposure
- strong broadcaster/producer partnership
- wholistic vision of broadcaster programming and interactive components
- strengthen recognition value of the brand
- interactive projects extended lifespan as a stand-alone project
- revenue generation potential

2. Financing and Revenue Generation for Interactive Content

There is no one model for financing a project or for generating revenue. Some of the strategies to explore are outlined below.

- A collective effort is required to enable broadcasters to allocate funding to alternate platform content by encouraging regulatory understanding and a new policy framework
- Interactive and television programming should be sold to advertisers as a single property.
- Canadian broadcasters should consider participating in international ROI and not be limited by the traditional Canadian market
- Bell Fund does not fund non-interactive content (example: streamed content)
- Interactive components can serve as a “bonus” or “closer” for international program sales
- Broadcaster in-house websites cost less than independent productions
- New interactive distributors and aggregators are providing new revenue sources
- Big advertisers are re-directing ad spend to interactive projects; this will impact television budgets.

- Producers need to diversify funding sources; international funding should be developed

### 3. Rights

Rights issues continue to be a main concern for both producers and broadcasters. Some key points to arise out of the Roundtable are:

- CFTPA and APFTQ are actively negotiating rights and fees with unions
- All partners must share the risks
- Music and book providers can serve as models

### 4. The Partnership – Broadcasters and Producers

Successful partnerships involve early integration of the new media and TV components. Communication, collaboration and a wholistic approach were mentioned along with the advice below:

- Collaboration early in the development process is essential
- Avoid internal broadcaster silos: programming, interactive, marketing, sales, business/legal must work together
- TV producer, interactive producer, writers should participate in broadcasters pitches
- Broadcasters need a wholistic cohesive vision of projects when they are pitched including multi-platform content.
- Rights issues must be resolved up-front
- In-house web teams impact on the role of the independent producer; can they work together?
- Broadcasters need to build audiences on their own properties, so they want to host branded content on their broadcaster domain website
- How can original content (not related to a TV program) trigger funding?  
- CRTC issue
- Broadcaster templates for interactive productions are required
- Producers must respect broadcaster timelines

### 5. Going Forward

As the television and new media industries continue to evolve, resulting changes will need to be incorporated into the conventional broadcaster model. Some steps to facilitate this transition are:

- Content needs to be monetized: think internationally, gap financing
- The traditional broadcaster paradigm is changing; international broadcasters are focusing on funding multi-platform; Canadian broadcasters must “adapt or die.”

- Funding of basics is needed: text messaging, video, games, communities
- Industry needs to be more competitive; nimble
- Think outside the regulatory framework: long-term, internationally, producers and broadcasters should consider sharing world markets
- Use generated content will have a lasting impact
- In the deregulated space, there is a short-term advantage: act now
- Wrap advertising and sponsorship into the content
- What's best for Canadian digital media/TV business? Tell the CRTC - more broadcaster funding is required

## 6. Notes for the Bell Fund

The Bell Fund strives to facilitate the production of innovative TV and new media content. The Roundtable participants provided valuable feedback for the Fund to consider:

- Bell Fund is a critical driver of the convergent TV/new media industry
- Bell Fund and partners should co-ordinate efforts to encourage more flexibility in the regulatory environment
- The industry is too dependent on subsidized funding like the Bell Fund
- Consider corporate funding rather than project funding
- Bell Fund should allocate funding to projects with strong up-front support
- Bell Fund should allow producers to pitch their projects in-person to evaluators/Board
- Bell Fund should consider a transition from grants to equity investments
- Bell Fund and Telefilm have good industry and best practices knowledge to share with the industry; need more co-ordination
- Bell Fund should consider smaller budget interactive projects in year one of a series; simplicity may be in order; larger budgets to be considered if the series continues successfully
- Producers may have “over-delivered” to the Bell Fund; broadcasters should check their expectations
- Smaller projects are important too
- Innovation is expensive; producers are taking risks and investing their own funds.

## Appendix 1:

The following are highlights from website traffic analyses undertaken from February to June 2006 on Bell Fund funded projects. The trends indicate the following:

- average production budget of Bell Funded projects is \$345,000.
- 85% of all projects qualify for matching broadcaster bonus.
- Median broadcaster contribution is \$22,000.
- Broadcaster cash investment and producer cash/deferral investments are equal
- Children's websites capture user attention for the longest duration at 8 minutes per visit for successful sites
- Successful sites reach over 80,000 unique visitors per month
- The more links from external domains, the more traffic to the site (up to 4,000 links in one case!)