

## Hitting the Right Notes

### A Study of Private Broadcasters' New Media Activities



- ❖ More than ever before, Canadians expect broadcasters to find them when and where they are, and to provide content however they wish to access it.

## Trends

- ❖ Online explosion: In Canada and the US, traditional broadcasters have adopted online strategies to extend their offerings to advertisers and audiences. Third-party aggregators have also emerged in recent years (e.g. YouTube), seeking to aggregate audiences to advertisers around user-generated content, or content bundled by established and emerging broadcasters and distributors.
- ❖ iTunes: Emerging as perhaps the single most important aggregator of retail media content. Overall, iTunes is now selling over 50,000 movies each day in North America, the UK, Australia and New Zealand. Limited content is available in Canada due to rights considerations compared to what U.S. consumers can download.
- ❖ Mobile subscribers: The number of Canadians using wireless devices to go online is increasing, with the percentage gaining steadily due to a high broadband penetration.

## Issues and Challenges

- ❖ Access: While there are limitless opportunities for brand extensions, there are also challenges with gaining access to content that may appeal to niche audiences.
- ❖ Costs: Adapting broadcast content to the online environment is complex and costly. In the end, broadcasters must balance the desire to do more, with the potential to earn more revenues. Bandwidth costs are high, while online advertising revenues are limited.
- ❖ Licensing: Online rights to some shows continue to be unavailable, limited and costly.
- ❖ Third-party aggregated content: As American rights holders are already in the space with their content, the question for Canadian broadcasters is when and how they may exploit separate Canadian licensing rights on platforms such as Hulu and Kangaroo.
- ❖ Revenue models: Business models are still immature and revenues don't necessarily cover new media broadcasting expenditures. Banner and pre-roll ads, sponsorships and advertising-as-content are some of the strategies being used to support content development and distribution, and to build return on investment.

## Strategies

### 1. Platform Remodels

A number of Canadian broadcasters have already made, or have plans to make, significant investments in redesigning their online platforms to provide an enhanced user experience for on-demand audio-visual streaming, and to provide opportunities for user engagement and loyalty in a trusted environment.

### 2. Make Rich Content Richer

Offering audio-visual content online is not simply a matter of posting traditional broadcast offerings (and even this can be a complex legal undertaking). The issues for broadcasters revolve around the kind of user experience their branded platforms can offer as they seek to extend their brands and build loyalty online.

Broadcasters seek to blend rich content with user interaction, making it richer by wrapping new content around streaming video to create a unique destination for a show's audience. Ancillary content is a differentiator for broadband delivery, is a 'value add' for the consumer, and provides a compelling reason to visit broadcaster websites.

### 3. Theme-based Content

Due to rights considerations, some Canadian broadcasters have developed unique websites that aggregate specialised content exploiting the search functions of the Web and third-party aggregators' platforms to attract niche audiences accustomed to searching for their content online.

### 4. Pushing the Information

A number of private broadcasters have moved quickly into the mobile space, providing Canadians with opportunities to access information-based content, such as news, weather and sports, through proprietary applications. In addition to information-based mobile broadcasting services, one broadcaster is now offering Canadians primetime drama conceived for mobile platforms.

### 5. New Forms of Community

Creating opportunities for participatory media has been a successful strategy for some broadcasters with a younger audience demographic. Mixing professional and semi-professional content, providing opportunities for audiences to contribute creative content and engage with each other, and extending their broadcast offerings to social networking sites, are earning them credibility with their web-savvy audiences.

News and local content offerings also feature prominently in community building strategies. Citizen journalists and bloggers are engaging in the telling of their own stories, thereby participating in the creation of compelling news narratives online and deepening their experience of news content. Regional broadcasters are extending their local offerings online, providing their audiences with opportunities to stay connected to their communities.

### 6. Live Streaming

The radio broadcasters interviewed for the study all provide live streaming, while television broadcasters have experimented with live video streaming or offer subscription-based broadband simulcast services for some specialty services.