

INTRODUCTION

Our thanks to the 430 independent producers who completed ITVS's recent survey on digital trends and activities. This survey helps in our continuing efforts to understand the quickly changing marketplace and to find ways to better serve producers, the public television community and our audiences. To date, these efforts include pilot partnerships with companies and organizations like AOL, Jaman, iThentic and AFI Digital Lab, among others; ongoing work with public television on digital rights issues; landscape mapping with partners such as the Center for Social Media; and new media work through our online shorts festival and Electric Shadows project.

As ITVS works to ensure that producers benefit from new digital opportunities, both economically and in terms of audience and impact, it is important to understand where filmmakers are positioned right now in the multi-platform universe, and what their impressions, goals and concerns are.

We learned a lot from the survey responses—and we hope you too will find the results of interest. Here you will find a narrative summary as well as some highlights from the expanded results, for those of you who want to know more.

SUMMARY OF SURVEY RESULTS

The 430 producers who responded were equally split between male and female, with 61 percent between the ages of 34-55. More than half have been independent producers for more than nine years. Most have produced at least one long-form program, and the majority have not received ITVS funding. The results of the survey can be grouped loosely into three categories: 1) the realities of today; 2) expectations about tomorrow; and 3) the needs independent producers identified as most critical to their success in the evolving marketplace.

1. What producers are doing today.

Independent producers are working hard to keep up with new distribution streams, new ways to promote their work and new production technology, but still depend mostly on traditional distribution and promotional partners. Only one in five producers is making money distributing work online; those who do report very modest amounts, in the mid four figures or less, through partnerships with multiple distribution outlets. The rest still hold their digital rights, citing either lack of opportunity or expectations of better terms and options down the road. At the same time, most producers are using the Internet as a promotional venue—particularly through blogs, social networking sites and their own websites—and nearly all recognize its importance in winning audiences.

Domestic television broadcast is still named by many producers as the most important distribution stream, with DVDs second and educational sales third. Even for those who have profited from online distribution, digital activities are still seen mainly as a way to drive DVD sales. Many mentioned online DVD processing and fulfillment services such as Customflix or Neoflix as a key part of their operations.

On the production side, more than half are now shooting in high definition; a majority of these producers believe HD has increased their costs by 15 to 25 percent, although only a minority see HD as helping their position in terms of television work.

2. What producers see in the future.

Despite lots of uncertainty in today's marketplace, in general producers are optimistic about the new media future. Most believe that new modes of production and distribution will promote independent, cutting edge and culturally diverse media over the next five years. Almost all see the Internet as essential to the future of promotion and distribution; specifically, they see having multiple partnerships and multiple platforms as increasingly important, as well as producing multiple versions of their work for different venues and audiences. Far fewer are concerned about safeguards against digital piracy; a minority see "day and date" release as continuing to be very important. Even with the evolution of digital venues, producers continue to point to television broadcast slots as one of the most important distribution factors to their success over the next five years.

3. What producers want.

Apart from more funding opportunities, the most common area highlighted was the development of targeted and niche online promotional support and strategies. Almost all producers believe that they need multiple distribution partners to succeed online. More than 90 percent see a strong independent brand as key to their online success over the next five years, and 76 percent think a high-profile indie portal is important or very important. Three-quarters also believe that independent content needs public television leadership to succeed.

Many producers are looking for more training to create, promote and distribute new media. More help and guidance in online distribution was a common request. Noted barriers to the new media market included lack of technical know-how about formatting, encoding, content versions, subtitles and tagging. Most of all, producers are seeking ideas, partners and assistance to help them break through the online media glut and navigate the uncertain terrain of unfamiliar business models and distribution schemes.

CONCLUSION

In short, the survey shows that few producers are profiting from digital distribution today. Most, however, are optimistic about the future impact of technology, although concerns linger about how indies will use brand, niche marketing and flexible partnerships to succeed in the digital age. These trends are in line with the marketplace, where only three to four percent of film revenue is currently generated via online distribution, mostly by commercial blockbusters and viral hits.

Producers' perceptions of the future may reflect the experience of the music industry—to which many referred in their comments—where digital sales rose from almost nothing in 2003 to 15 percent of industry revenues in 2008, with some independent labels reporting up to 40 percent of their revenue flowing via digital distribution. For the independent film producer, however, few clear choices for online distribution have presented themselves to date, and many producers continue to move cautiously as they search and wait for better options.

In all, the breadth and depth of survey responses was impressive, ranging from meditations on the democratic possibilities of new technology, to the fears of niche ghettos and fragmentation, to the importance of net neutrality and an incredible range of rights and technical issues. We have included highlights, statistics and selected quotes below and hope you will consider this report part of a continuing conversation about the role of independent producers in the digital age.

HIGHLIGHTS

SURVEY RESPONDENT PROFILE

- Gender: 50% men; 50% women
- Age: 61% 35-54 years old; 19% younger; 21% older
- Race/Ethnicity: 61% Euro-American; 10% African American; 8% Asian American; 7% Latino; 2% Native American; 2% Pacific Islander; 11% other
- Experience level: 85% have more than five years of experience in film; 51% have produced three or more long-form projects
- Purpose/Motivation: 60% are highly motivated by a love of storytelling; 52% as artists; 51% by commitment to social change; 19% as journalists; 16% as representing their community

Quotes

CURRENT ACTIVITIES—GENERAL

- 81% own their own digital rights; 19% have sold or licensed them
- 76% have used the Internet to reach audiences for recent projects
- 70% say the Internet is “very important” for marketing now
- 45% say the Internet is “very important” for distributing now
- 32% say the Internet is “very important” for fundraising now
- Some say they have generated digital revenue in mid four figures
- Others point to high online DVD sales, but not downloads

“Have had offers and are holding out because we believe there are better business models coming soon.”

“I [hold digital rights] but [my agent/distributor] is breathing down my neck to sign with them.”

“For one film I used Customflix (now CreateSpace) and sold it on Amazon. For my latest film, I used Neoflix. Neoflix uses partners to help you author and replicate your DVDs and you then sell your stock. I would say that I probably sell more from Amazon (but make less) than I do from folks going to my website. But initially, when the film first came out, it was from my website (now it’s five years later so I’m still amazed that the film sells copies).”

More Quotes about Current General Activities

“Our broadcast distributor has some of these rights. We also retain certain rights and granted some to our educational distributor.”

“We hold some of these rights and we’ve licensed some to PBS.”

“Licensed one of my films to Customflix...most people seem to be watching it through their Unbox (Amazon.com web streaming) service rather than DVD.”

“In the case of my latest work, HBO owns the electronic rights but not the DVD. I am having a hard time getting a DVD deal or even putting the film on Netflix since the DVD companies are all going into streaming.”

“Is it worth making a film accessible online (for free or reduced cost) if it will diminish the value of the DVD and other screenings?”

“Created a distribution system using open source software in direct partnership with school districts. We are paid by the schools for the content we deliver online, no middlemen.”

“We’ve set up an extensive website and put links on all related sites. We’ve optimized this site for search engines, we’ve sent out mass emailings with news about our film. The vast majority of home video purchases for our film (about 85-90%) come through the Internet. That equates to about a thousand DVDs in the past five months since broadcast.”

“I am overwhelmed with all the things I should be doing...the promise of the Internet is still at arms length....I’ll have to stop making films and learn a whole new skill set? Rats.”

HIGHLIGHTS

CURRENT ACTIVITIES—Importance of distribution venue (producers ranked six venues in order of importance; % represents those who ranked the venue #1 or #2)

- 51% domestic broadcast
- 47% DVD
- 35% educational
- 27% international
- 20% theatrical
- 19% Internet

CURRENT ACTIVITIES—HD

- 58% shooting in HD
- 44% HD users see HD as opportunity to get TV work
- 30% of HD users say HD raised budget by more than 20%

FUTURE IMPACT OF NEW MEDIA AND DIGITAL DISTRIBUTION

- 84% say it will promote culturally diverse media
- 83% say it will promote independent media
- 81% say it will promote citizen media
- 73% say it will promote aesthetically diverse media

Quotes

“Educate me about how my SD work will look when upconverted to HD—I know nothing about it!”

“Help us find a way to upconvert. It will be a real shame if all the previous work is lost.”

“The fact that filmmakers can make AND distribute their work outside the system is a great thing. It will mean liberation for film/video artists who choose to tell stories that don’t fit the industry sensibility, allowing all voices to be heard and seen.”

“The point is you can NOT control where your project ends up once it’s online. So it’s a whole different model based on trust, like the Radiohead model.... This works only in some cases and is very niche oriented.”

HIGHLIGHTS

“IMPORTANT” AND “VERY IMPORTANT” KEYS TO FUTURE SUCCESS

- 97% say targeted online promotion
- 96% say niche promotional strategies
- 95% say multiple platform distribution of multiple versions
- 92% say strong independent brand
- 75% say public television leadership
- 75% say single high-profile indie portal

Quotes

“We need to rise above the din. That takes branding.... The audience has an incredible amount of choice and power now in what they watch and how they find it. Making ITVS (or some other brand) a beacon for them will be essential.”

“Create a strong brand like abc.com that draws viewers to the website to stream/download media. Give producers a reasonable cut of proceeds.”

“With the rise of satellite broadcasting, radio will become increasingly influential. For certain communities, radio is a very important piece of the cultural fabric. I plan to target very specific audiences for my current project and use radio to drive them to the Internet for sales, downloads, etc.”

WHAT DO PRODUCERS WANT FROM ITVS AND/OR PUBLIC TELEVISION? (WRITE-IN ANSWERS, GROUPED BY CATEGORY)

- 33% more funding for new media, general, HD
- 29% develop distribution and promotion partnerships with online leaders; become aggregator/creator of portal to distribute
- 20% training, teaching, forums, tech support
- 18% miscellaneous—more diversity, more experimental, more support for emerging filmmakers, more support for non-HD programming, etc.

“Make sure there is an open conversation going on between the needs of PBS for new media rights and the needs of theatrical and DVD distributors. The independent producer needs an advocate that can help mediate these sometimes dissonant needs.”

“Public television and public television partners can be useful in helping advise independent producers on their experience in the field. The iTunes deal was helpful.”

More Quotes about What Producers Want from ITVS

“Embrace non-exclusive—it is the future!”

“Create a digital network with stations nationwide to create a strong independent distribution market.”

“Take risks and demand the highest quality independent stories, using new media as a tool to promote access and distribution.”

“Expand funding to a larger number of smaller-budget projects which will reach audiences in a greater variety of ways.”

“Educate producers on how to integrate efforts at producing long form media with producing shorter pieces for alternative media distribution.”

“Reach out to independent producers—those whose programs may or may not currently be on their network—as a means of continuing to show leadership and drive audiences to the Internet for programming.”

“Realize that more and more people, and especially young people, will have nothing to do with non-interactive, non-participatory content.”

“Encourage more adventurous short form media, more interactive media, and help facilitate and promote the audience’s adjustment to and acceptance of viewing longer form content on the web and other new media platforms. Then advise filmmakers how best to approach and package media for these platforms.”

“Lighten up a little!”

Distributors, Partners and Other Sites Mentioned by Producers:

COMMERCIAL ONLINE VIDEO:

Hulu
iTunes
Jaman
Netflix
YouTube
Caachi
AOL True Stories
Amazon Unbox
Reframe/Amazon
Crackle
MySpace
Yahoo
B-Side Entertainment
Cinemanow

Cinequest
Withoutabox
CreateSpace (formerly Customflix)
Neoflix
B-Side Entertainment
Cinelan
Filmspecific
First Run Features
Granada International
Red Envelope Entertainment
Typecast Films
Mediastiles

BROADCASTERS AND PRODUCTION HOUSES

Current TV
Alabama Public TV
PBS
KQED
WGBH
Thirteen/WNET
Seattle Channel
Greenhouse Pictures
Rainbow Media
Typecast Films
Working Films

NON-PROFITS AND FOUNDATIONS

Annie E. Casey Foundation
ITVS
Center for Independent Documentary
Center for Investigative Reporting
Florida Africana Studies Consortium
Foundation for Self-Taught American Artists
National Center for Jewish Film
NAPT

OUTREACH AND PROMOTION

Active Voice
AOL True Stories
Constant Contact

TELEVISION SERIES

Frontline
Independent Lens

OTHER

Facebook
Second Life
Creative Commons
Appalshop
babble.com
Twitter
Truthout.org
therebyhangsatatale.com

DISTRIBUTION AND RELATED SERVICES

Shorts International
California Newsreel
OUAT Media
New Day Films
Docurama
Cinetic Rights Management