

VIDEO AGE

international

In This Issue:

ATF Review

Must See TV

Useless Film Fests

Sección en Español

www.videoage.org

LATAM's Content Piracy Biz is a \$3.5-Billion-a-Year Industry

BY DOM SERAFINI

Content piracy in Latin America is a multi-faceted issue, and even though it affects all concerned, each sector has its own reasons not to eradicate it.

For example, as was pointed out during IQPC's "Anti-Piracy & Content Protection Summit," held in New York City last November, the business model of content owners encourages piracy because it goes against normal consumer behavior.

Nowadays, many consumers don't want to wait for the industry's imposed windows (which are necessary to maximize profits in order to sustain high production costs). Therefore, they resort to illegal ways of obtaining content for immediate gratification — without considering it a crime.

The high costs of DVDs and

(Continued on Page 20)



Europe Looks to Latin America for TV Growth

BY BOB JENKINS

Historically, Latin America has been a difficult region for European companies to crack. Now, though, the territory is taking on growing importance,

as regional economies flourish and new players — especially those in the digital arena — offer opportunities for a wider range of content. But to crack this market, executives have found that an on-ground presence is necessary.

"Latin America is an important market, and it is one to which we have paid attention since

forming SevenOne (now called Red Arrow International) in 2005," said Jens Richter, managing director of Germany's Red Arrow. "It has always been a good market for us because our portfolio has

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Where Sellers Go Wrong with Buyers

BY ISME BENNIE

"A good distributor is someone who understands the local market and is willing to work with programmers to help solve their scheduling needs," said Doug Smith, VP and general sales manager for Canada at CBS Studios International (CBSSI).

(Continued on Page 18)

History Repeats Itself: NATPE at 50

BY SARA ALESSI

It seems the age-old adage is true — history really does repeat itself. Many of the issues that made headlines at NATPE in years past are still making news today. At the advent of NATPE's 50th birthday (though NATPE was established in 1963, its first trade show wasn't held until 1979) *VideoAge* decided to take a look back at our coverage of the event over the past 32 years (since *VideoAge* was founded in 1981). What we discovered might give those who have attended NATPE over the years a sense of déjà vu.

The floor versus suites conundrum was as much an issue in the past as it is now. The same is true for the question of whether enough attention is paid to the international contingent, and then there's the ongoing debate regarding the number of seminars/conferences at NATPE, which *VideoAge* has for years maintained is detrimental to the business of buying and selling content since it reduces the amount of floor traffic.

Let's take a look back at some of the highlights (and lowlights) of NATPE through the years.

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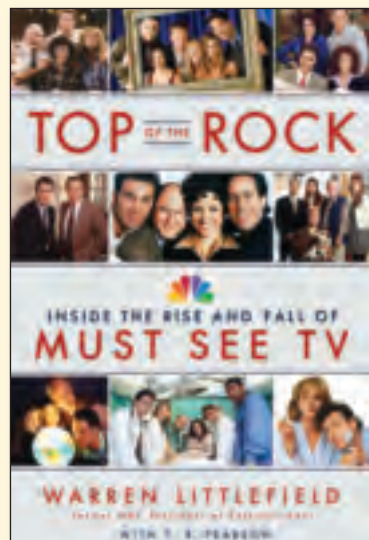
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Weak Ad Signals Plague the U.S.

Warning signs from several advertising companies in the fall indicated a decline in ad spending in the U.S. ahead of pending reports for the September quarter from companies such as CBS Corp., Time

Warner Inc., Discovery Communications Inc. and News Corp.

As reported in *The Wall Street Journal*, advertising holding companies Interpublic Group of Cos., WPP and Publicis Groupe all stated that marketers slashed their spending in September as a result of political uncertainty in the U.S. and the economic crisis in Europe. They saw a decline in a number of industries, including retail, pharmaceutical and consumer packaged goods.

It's likely that Hurricane Sandy, which ravaged the northeast at the end of October, impacted ad spending as well, since some stations opted to limit or forego advertising altogether for a few days in order to provide uninterrupted coverage of the storm. Pivotal Research Group analyst Brian Wieser estimated the storm's impact on the U.S. advertising market could manifest as a revenue loss of around \$500 million, or one percent of the volume for the fourth quarter.

In October, Comcast Corp., which owns NBCUniversal, stated that its cable networks division recorded flat ad sales for the quarter, and News Corp. — which owns Fox News, Fox and FX, as well as *The Wall Street Journal* — was projected to report flat ad revenues.

VoD \$ Signs Getting Clearer

Industry experts are predicting that U.S. Video-on-Demand /Pay-Per-View revenue data is about to become a lot more transparent.

As the *Los Angeles Times* recently noted, studio accountants have traditionally been criticized for not being entirely forthcoming about VoD revenue numbers, leading filmmakers to wonder whether they're getting a fair share of the pie.

Arbitrage, a Roadside Attractions/Lionsgate Entertainment feature film that was released concurrently in theaters and on VoD, is being seen as a sign of the sea change, the *Times* reported.

According to the two companies, VoD sales for *Arbitrage* (which include Internet, cable and satellite television), have reached about \$11 million, and are expected to reach \$12 million. Combined with expected box-office gross of around \$7.5 million, the film will break the combined sales record for a day-and-date release.

Companies like Lionsgate seek to benefit from an increase in revenue transparency, the *Times* explained, since they can now show off those profits when they go to buy films at festivals and markets.

Usually, 70 percent of VoD revenues are allocated to the distributors, as opposed to the 50-50 theater owner/distributor split often used for box-office sales.

TV Rights Boost Brazil's Football

Domestic TV rights to sports games are helping Brazilian football (soccer) clubs earn more money and hold onto talented players. The top clubs earned total revenues of R\$1.93 billion (U.S.\$927 million) in the 2011 season, an increase of 29.7 percent from the year before, as reported in the *Financial Times*. With the rise of pay-TV in the country, 36 percent of clubs' income stemmed from TV rights.

In 2011, the top-earning club was the São Paulo-based Corinthians, which generated total revenues of R\$281 million. This marked a 36 percent rise compared to the year before, according to investment bank Itaú BBA. Coming in second was São Paulo, up 15 percent with R\$225m. Santos came in third, pulling in R\$189m, an increase of 62 percent.

Although consulting and financial advisory firm Deloitte reported that Brazilian clubs were still earning below the level of those in Europe and the U.K., Brazil's domestic growth and plans to host the 2014 World Cup could bolster earnings. Another factor contributing to the rise in revenues were sponsorships, with state bank Caixa Econômica Federal paying a record R\$30m to put its brand on the Corinthians' jerseys. ●

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Don't Touch That Dial: Inside NBC's "Must See TV" Hits

Actor John Lithgow, who starred in NBC's *3rd Rock from the Sun*, once said, "When it's right, there's nothing like a sitcom." Well, during the 1980s-1990s, NBC had it right.

It all started with NBC's "Night of Bests," the name the network gave its Thursday night lineup consisting of classic shows *Cheers*, *The Cosby Show*, *Family Ties*, *Night Court* and *Hill Street Blues*, before progressing to "Must See TV," the slogan they gave the Thursday night lineup that graced the air in the '90s.

Warren Littlefield, former president of Entertainment at NBC from 1991-1998, along with author T.R. Pearson, explore the inside world of hit television that had millions of Americans tuning in every Thursday night in *Top of the Rock: Inside the Rise and Fall of Must See TV* (Doubleday, 326 pages, \$27.95). Must See TV, of course, refers to the following shows: *Seinfeld*, *Friends*, *Mad About You*, *Frasier*, *Will & Grace* and *ER*. With these shows, "From 1993 through 1998, NBC exploded every conventional notion of what a broadcast network could accomplish with a prime-time lineup. On Thursday nights in particular, everybody watched the peacock [an allusion to NBC's logo, which takes the shape of a peacock]. We beat the other three networks combined by wide margins," said Littlefield.

"At its height, NBC's Thursday prime-time schedule of Must See shows attracted a staggering seventy-five million viewers and generated more revenue for NBC than the other six nights of the week combined." Putting that figure in perspective, Littlefield explains, "In today's fractured entertainment market, NBC averages an anemic audience of less than six million for its Thursday night lineup."

According to Littlefield, the key to success lies in getting into business with talented, creative people and giving them the freedom to do their job — be it writing, producing or acting. That was his leadership style at NBC, and it works equally well in his writing.

Littlefield masterfully weaves together an oral history with contributions from the people who had a hand in creating and sustaining Must See TV at the peacock during his tenure there. Sitting down to share their stories are top players such as Jerry Seinfeld and Jason Alexander (*Seinfeld*); Kelsey Grammer (*Cheers*,

Frasier); David Hyde Pierce (*Frasier*); Paul Reiser and Helen Hunt (*Mad About You*); Lisa Kudrow, Matt LeBlanc and David Schwimmer (*Friends*); Debra Messing, Eric McCormack and Sean Hayes (*Will & Grace*); John Lithgow (*3rd Rock from the Sun*); and Julianna Margulies, Eriq La Salle and Anthony Edwards (*ER*), as well as director Jimmy Burrows, writers, producers and suits.

He even includes a "Players Guide," which is a great tool for the reader to flip back to for a quick refresher when a lesser-known name pops up. And with short quotes from each person, it feels as if they are seated around a table conversing about some of the most popular shows ever to hit the airwaves.

The talent and producers share engaging and fun anecdotes that make the reader privy to inside information. Actor Jason Alexander, who played George Costanza on *Seinfeld*, recalls that one day when he, comedian/actor/*Seinfeld* co-creator Jerry Seinfeld, co-creator Larry David and actress Julia Louis-Dreyfus (who played Elaine Benes) were out to lunch discussing how difficult it was to

act with Heidi Swedberg, who played George's fiancée, Susan, Louis-Dreyfus announced, "I just want to kill [the Susan character]." As *Seinfeld* fans know, that's exactly what they did.

Friends fans may be surprised to learn that creators Marta Kauffman and David Crane originally offered the part of Rachel Green (played by Jennifer Aniston) to Courteney Cox, who passed on the role to play Monica Geller instead. But it wasn't that simple, because that role almost went to Nancy McKeon from *The Facts of Life*. However, true to form, Littlefield allowed the creators to decide on the cast, and Cox ultimately won out. And could you imagine Lisa Kudrow (who played Phoebe Buffay) as Rachel? Kudrow explains that when she went in for the audition, she was after a different part, but was told, "No. You're this quirky girl." *Friends* fans everywhere can breathe a collective sigh of relief.

Seinfeld marked the beginning of Littlefield's reign at NBC, when he took charge of making programming decisions, which he describes as "part crapshoot, but...part savvy and judgment as well,

tempered with an awful lot of hard work." When he first took on the job in the early '90s, *Cheers* was the network's top-rated comedy, but a call from the lead, Ted Danson, saying he wasn't returning to the show sent Littlefield into a panic.

Eventually, though, Littlefield bet on *Seinfeld* to replace the ever-popular *Cheers*, and that bet paid off in full. By the time the *Cheers* finale aired in May 1993, *Seinfeld* had surpassed the show in ratings. Plus, at the height of Must See TV's popularity, a 30-second advertising spot on *Seinfeld* garnered \$800,000 (about \$1.28m today). Guarding every penny, the network gradually shaved 30 seconds off each episode until they ran at least a minute shorter in the last few years, leading Seinfeld and David to exclaim, "Stop making the show shorter!" Ad spots for the final episode brought in \$1.8 million (about \$2.554m).

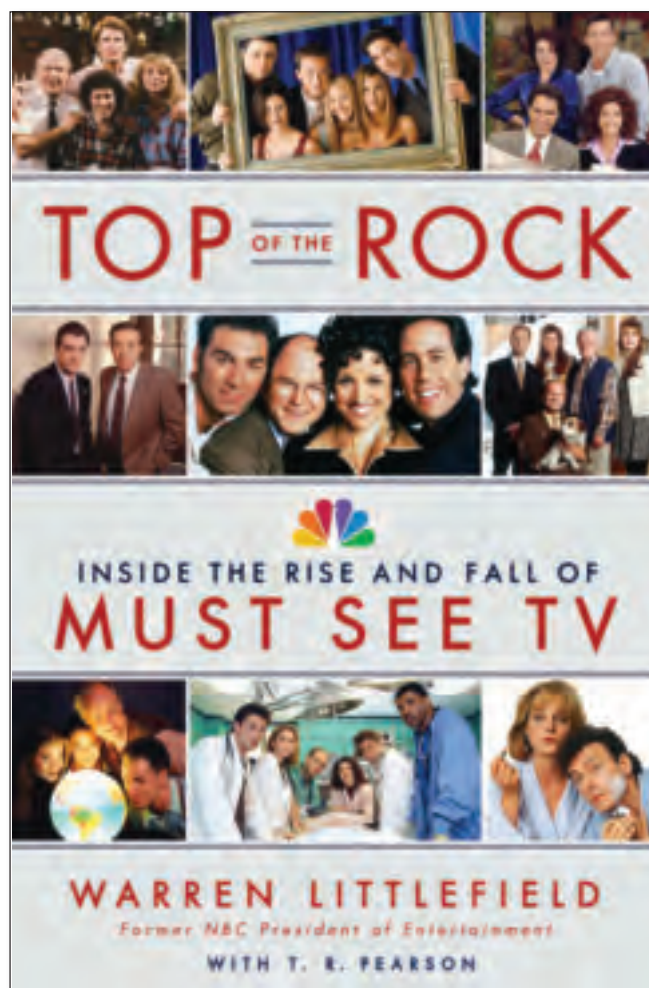
Just as he and his team took risks with *Seinfeld* (developing it out of the Variety and Specials department because the Comedy department lacked the funds), Littlefield also took risks with the other shows that became Must See TV.

He went against president of West Coast Operations Don Ohlmeyer's instincts by pushing forward with *Friends*, despite Ohlmeyer's insistence that Monica Geller's sleeping with someone on a first date made her a slut (fans disagreed, and so did Littlefield), and by agreeing to air a sitcom centered on gay characters (enter *Will & Grace*).

A lesson Littlefield hopes NBC will relearn (and perhaps one everyone should learn): "my guiding principle...was to get into business with talented people and let them be talented." For instance, the suits ultimately allowed *Cheers* creators Jimmy Burrows and Les and Glen Charles to cast Danson and Shelley Long as Sam and Diane in the series, despite the fact that the network was leaning toward another pair. Audiences everywhere would agree that was smart business. "That was a valuable lesson learned for me. When you get into business with talented, creative people [like the Charles brothers and Burrows], listen to them," Littlefield said. It happened again in selecting Kelsey Grammer to play the part of Frasier Crane. The success of his spin-off, *Frasier*, is a testament to Littlefield's practice.

Littlefield's tone is fun and informal (he writes of taking over as president of Entertainment at a time when the network's ratings were sinking: "My timing sucked."). He also winks at the reader/Must See fan through witty and fun chapter titles that are a salute to the top shows: "Yada, Yada, Yada" (*Seinfeld*), "Master of My Domain" (*Seinfeld*), "I'll Be There for You" (*Friends*) and "Batting for the Other Team" (*Will & Grace*).

Learning about the ins and outs of some of the greatest shows on television is, in a word, thrilling — and reading this book is as much fun as watching the shows. Littlefield's book on Must See TV is a must-read. So don't touch that dial, open that book! **SA** ●



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Asia: A Tough Territory Facing a Difficult Market

Well, perseverance and investment in a long-term presence in Asia seem to have paid off for those who made the commitment. This is according to those few Latin American distribution companies that returned to exhibit at Singapore's Asia TV Forum & Market (ATF), despite a difficult few years. Companies reported full appointment schedules and good responses, due to positive relationships established with buyers over the years.

Not everyone, however, managed to stay the course. The Italians, for example, pulled out of ATF, betting instead on the Hong Kong International Film Festival in the spring.

But even if better relationships with Asians will eventually evolve into program sales, some European distributors are feeling the pinch of ATF's increasing market costs and, for the next ATF, are trying to huddle together into a mega-umbrella European pavilion. So far, the project (which will benefit from both European marketing subsidies and individual countries' export incentives) has attracted interest from France, Spain and Germany, while an initial approach was made to the Italians through the Singapore office of



Cheng-Chun Yeo, assistant CEO of Media Development Authority of Singapore (fourth from the right), hosted a seminar about "China-Singapore Dialogue"



The opening ceremony officiated by Singapore's Minister of Communications, Yaacob Ibrahim, flanked by Michelle Lim, managing director of ATF organizer Reed Exhibitions and Cheng-Chun Yeo, assistant CEO of Media Development Authority of Singapore



Azteca's Marcel Vinay, Martha Contreras

their Trade Commission.

Meanwhile, ATF continued to be driven by independents such as Zodiak, GRB and Studio 100, and mini-majors like FremantleMedia, Viacom, ITV, A+E and MGM. However, this time at ATF, there was a good U.S. studio presence with exhibitors such as CBS, NBCUniversal and Disney.

"We have been attending ATF for several years and it has proved to be a valuable market for us ever since our first presence there, especially with those broadcasters who do not attend MIPCOM or MIP-TV," said Patrick Elmendorff, managing director at Studio 100 Media. "We primarily focus on Southeast Asia with an emphasis on Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Furthermore, India, South Korea and Japan are also territories that are very important to us," he added.

"ATF is always a great market to reconnect with current and potential partners in the Southeast Asia region, particularly Indonesia and Malaysia," said Mario Castro, director of Sales for Asia and Africa at Televisa Internacional. "It is always nice to see how emerging economies develop and grow in presence year after year at ATF. This market is consolidating as the gateway to Southeast Asia's TV industry and it's more than clear when we see [a larger] presence of young or new channels, networks and producers."

(Continued on Page 10)



CBS Studios International's Paul Gilbert, Mie Horasawa, Nicole Sinclair and Alysha Chopra



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ATF [continued]

(Continued from Page 8)

But, judging from the level of marketing activities, the trade show is still considered relatively small by most exhibitors who allocated few resources for it.

In terms of the market itself, the fact that conferences were held on the third floor of the Marina Bay Sands Convention Center, far away from the ground level of the exhibition hall, meant the floor was sparsely trafficked on the first day, but it did pick up on the second day. Yet, floor traffic was almost non-existent on the third and final day, December 7.

Indeed, with 27 ATF-organized conference sessions involving 52 speakers, the seminar portion took up a large chunk of the event activities. And this is without considering individual companies' conferences, such as the one organized by TV France International on "French Success Stories And New TV Programs," and those by Singapore's Media Development Authority (MDA). In particular, MDA had the largest presence in terms of exhibition space and activities, including 10 events such as general screenings and seminars, held at



A+E Networks' Catherine McGrath, Kerri Tarmey, Ling-Sze Gan



Televisa's Javier Paez, Mario Castro

their stand.

At the opening ceremony came the announcement of an ATF collaboration with Paris-based Reed MIDEM (MIP and MIPCOM organizers) for a series of events to take place at the next ATF (organized by Reed Exhibitions) and officially described as "the first MIP Academy." The collaboration between the two sister companies that was announced at last year's ATF did not materialize, even though an ATF official said that something, if undefined, actually took place this year.

Something that was visible at the 13th edition of ATF was the concurrence with the second annual ScreenSingapore, a film festival that was having trouble as a stand-alone event, which added some movie-style glamour (albeit on a localized level) to the meat-and-potatoes TV business aspect of ATF.

In other show news, out of 25 applications, eight Singaporean movie directors were each awarded S\$250,000 (U.S.\$205,000) for the first "Call-for-Proposals," under the New Talent Feature Grant, a new initiative by the Singapore Film Commission to launch the career of Singaporean filmmakers.

Officially, at ATF 2012 there were 4,000 participants from 52 countries, representing 1,065 companies, of which 526 registered as sellers and 539 as buyers from 36 countries, including Kazakhstan and Mongolia. According to ATF statements, there was a "significant increase in buyer participation from South Korea, Hong Kong and China." On their part, some sellers reported an unusually large buying contingent from Vietnam. ●



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NATPE gana fuerza en vísperas del festejo de sus "Grandes Cinco"

De seguro, NATPE no está durmiendo. El mercado de TV de enero 2013 golpeará las costas de Miami Beach como una tormenta, ganando fuerza a su paso.

Un titular de la edición de *VideoAge* de enero 2012 anunciaba que "Los Estudios americanos ven a NATPE como un "Definitivamente tal vez". Bien, en 2013, los Estudios americanos informarán que ven a NATPE como un "Definitivamente sí", con todos ellos participando con creciente vigor, junto a todos los mini-majors tales como Starz, FremantleMedia, Entertainment One, Lionsgate y A+E Networks.

Los Estudios latinos, que controlarán la parte del león del mercado, no concederán su supremacía a nadie, y están planeando grandes cosas.

Esta vez, NATPE, que se realizará entre el 28 al 30 de enero, compartirá el centro de la atención con el Show Anual de Náutica de Miami, que comienza el 14 de febrero, exactamente 15 días después del cierre del mercado de TV.

Sin embargo, dado el tamaño del evento náutico (más de 100.000 participantes), los preparativos del mismo impactarán en la disponibilidad de capacidad de habitaciones de algunos hoteles cerca de los canales y definitivamente en los muelles a lo largo de la calle del Fontainebleau Resort, sitio del mercado de NATPE y centro de las conferencias.

Por estas razones, los barcos anclados en los muelles de la Marina que enfrentan el Resort no tendrán exhibidores de TV. Pero el veredicto no parece ser todavía definitivo, con un Estudio declarando que la decisión final aún no ha sido tomada, y otro confirmando que los muelles quedarán fuera de consideración dado que el show náutico necesita un tiempo extenso para ser preparado.

El pasado enero, Sony Pictures y eOne estuvieron entre aquellas compañías que exhibieron en los yates y los muelles. Además del tradicional Fontainebleau y el adyacente Eden Roc, los organizadores de NATPE se han asegurado habitaciones extras en dos hoteles más: The Palms, a 12 bloques de la sala de exhibiciones, y el Grand Beach, un poco más la norte.

Para el evento del 2013, NATPE fue retrasado una semana, lo que no ayuda al negocio local de sindicación

(Continuación a la página 14)



Piratería de contenidos en América Latina: Un tema costoso por todos lados

En mayo último, un grupo de los más grandes proveedores de contenidos de USA se reunieron en Miami, Florida, con expertos legales para una cumbre de tres días sobre la preponderancia de la piratería de programas en Latinoamérica.

La cumbre fue la primera en su tipo.

"La piratería es un gran problema para las compañías de contenidos y programadores en Latinoamérica", mencionó Gustavo López, vicepresidente y asesor regional de Discovery Networks Latin America y U.S. Hispanic. "Este encuentro ha brindado la oportunidad de evaluar nuevas aproximaciones frente a este dilema y maneras

de aplicar la legislación vigente". La "Cumbre de Propiedad Intelectual" fue organizada por el Centro de Estudios para el Desarrollo de la Telecomunicaciones y el Acceso a la Sociedad de la Información en América Latina (CERTAL) con base en Uruguay, la

(Continuación a la página 16)

La vida del comprador de programas ha cambiado, pero no la atención hacia él

En estos días no es fácil ser comprador de programación. Los dólares por publicidad han decrecido y las alternativas para los espectadores se han incrementado. La producción local de programas en muchas partes del mundo ha bajado y el costo de los programas importados subido. La

(Continuación a la página 14)

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(Continuación de la página 13)

(U.S.), pero es una bendición para los distribuidores internacionales que tienen los shows de media temporada. En efecto, cuanto más cercano es el evento a febrero, más se asemeja el NATPE de Miami al ya discontinuado, pero alguna vez sumamente exitoso mercado de TV de Montecarlo en términos de su cálida temperatura y disponibilidad de nuevos contenidos.

Otro cambio es la adición de las “Mesas de mercado” estilo NATPE Budapest, a los cuatro tipos de espacios de exhibición: Stands en el piso del mercado, suites, espacios para reuniones y las cabañas al costado de la piscina. El precio reducido de las “mesas” es de US\$2700 dólares cada una y serán ubicadas en las salas Shimmer y Flash en el cuarto piso de la Torre Norte pasando el piso del mercado. En comparación, el paquete de un stand puede llegar a los US\$6000 dólares, las cabañas desde los US\$13000 a US\$15000 dólares (suites junior y habitaciones de tres camas también están disponibles).

El éxito del pasado NATPE en Miami también puede ser medido por medio de los numerosos eventos de recreación, algunos inclusive comenzando el sábado antes de la apertura el domingo, y concluyendo el jueves, el día posterior al cierre.

Este año, las celebraciones de NATPE continuarán luego del evento por otros cuatro días, con otro evento latino de TV, el Cuarto Mercado Anual de Media de Florida (Florida Media Market-FMM) llevándose a cabo entre el 30 de enero y el 3 de febrero en el Shelbourne Hotel, a 26 bloques al sur del Fontainebleau. El FMM es organizado por Maritza Guimet, que tiene su base en Miami, en conjunto con la firma asesora LGMA (creadora de “Format Days” en China, llevado a cabo en Beijing en 2010 y en Sichuan en 2011), para ofrecer un Format Day — el Día de los Formatos — además de las actividades regulares del FMM tales como la competencia “Listo para distribución”. La noche de Gala esta vez contará con la participación de importantes anfitriones y presentadores Latinoamericanos, y ofrecerá un Premio a la Trayectoria al ya retirado ejecutivo de distribución Armando Núñez Sr.

Naturalmente, el gran alboroto de los organizadores de NATPE este año será de la celebración del aniversario: la denominada “Grandes cinco”. Sin embargo, aunque NATPE (National Association of Television Program Executives) fue formada en mayo de 1963, su primera conferencia fue llevada a cabo en Nueva York en 1964 y el mercado de TV comenzó en marzo de 1979 en Las Vegas basado en un modelo de suites en hoteles.

Se puede decir que el rápido éxito del mercado NATPE se debió a la combinación de tres factores: La regulación del acceso al horario central (The Prime-Time Access Rule-PTAR) y la regulación del Financial Interest

and Syndication rule (Fin-Syn), ambas impuestas en 1970 por la Autoridad Americana de Comunicaciones FCC, que estimuló la creación de series populares, para ser sindicadas en una primera pasada (first-run).

Además, unos pocos años después, la convención llevada a cabo en Las Vegas de la National Association of Broadcasters (NAB) con base en Washington D.C. — que servía como evento principal para el comercio de la sindicación — alejó a los proveedores de contenidos del centro del piso de las convenciones, provocando que muchos de ellos abandonasen NAB por una convención de sindicación como NATPE, mucho más amigable.

NAB también perdió a la Association of Independent Television Stations (INTV) con base en Washington D.C., que había comenzado en 1972. Cinco años después, los miembros de las estaciones de TV más fuertes (que para 1988 habían llegado a 321), comenzaron su propio mercado de comercialización de programas de TV, pero con los cambios en el negocio de la sindicación, en 1990 la convención de INTV se pegó dentro de NATPE.

Del mismo modo, la rápida caída de NATPE ocurrió debido a dos factores concurrentes, y así como su éxito, uno fue estimulado por el gobierno, y la otra por manos del hombre. Primero fue la remoción de la mayoría de las regulaciones relativas a la posesión de canales por medio del Telecommunications Act de 1996, cuando un grupo de dueños compraron más y más canales locales de TV, consolidando la compra de programas en una sola oficina corporativa. Esto hizo innecesario que en las ferias de NATPE hubiera que realizar la licencia de programas mercado-por-mercado (tanto para la primera pasada y fuera de network-first-run y off-network). Lo segundo fue la pobre organización de NATPE con una gerencia que gastó una gran cantidad de sus recursos financieros y no estaba preparada para enfrentar las dificultades del futuro, llegando a su pico máximo en 2002, cuando el directorio de NATPE nombró a Rick Feldman como su CEO.

Luego de 18 años de crecimiento, seguidos por seis años de dificultades y siete años de crisis, NATPE está entrando ahora en su cuarto año de renovado vigor, y por ese motivo tiene mucho para celebrar. Ya sea festejando el 50 aniversario de su creación o la 35ª edición anual de la convención de mercados de TV, Rod Perth, el nuevo CEO recientemente nombrado que reemplazó a Feldman, seguramente podrá verse satisfecho.

Aún así, haciendo un poco de historia, 1963 no fue particularmente un buen año. Fue cuando el presidente John F. Kennedy fue asesinado en Dallas, Texas, el presidente francés Charles de Gaulle vetó en ingreso del Reino Unido al Mercado Común Europeo ECC (ahora la Unión Europea E.U.) y también fue marcado por la huelga más larga de periódicos en Nueva York (114 días).

El inicio de los mercados fue un poco mejor, al menos para el negocio de la TV, desde 1979 cuando Philips presentó el CD, Sony introdujo su Walkman (precursor del iPod), nació ESPN y la Pinwheel Network cambiaba su nombre por Nickelodeon. ●

Piratería en América Latina

(Continuación de la página 13)

Federación Latinoamericana de Magistrados ubicada en Argentina (FLAM) y la Universidad de Miami. La cumbre se realizó en la Escuela de Derecho de la Universidad de Miami, y el tercer día Discovery Network auspició una mesa redonda titulada “Mesa de Propiedad Intelectual, Piratería desde la Visión de los Programadores”, que fue moderada por Alejandro Harrison, CEO de Pramer, Argentina.

La mesa redonda incluyó a los panelistas Gustavo López de Discovery, Lorenzo Rainer, director senior de asuntos legales y de negocios de HBO Latin America, Ana Siegel, vice presidente senior y asesora general de Fox Latin American Channels, y Francisco Escutia, director ejecutivo de Latin America Anti-Piracy and Intellectual Property Consulting (LAAPIP). La mesa redonda se llevó a cabo en las oficinas de Discovery Channel en Miami.

Luego de las palabras de introducción y bienvenida de Enrique (Henry) Martínez, presidente y director general de Discovery Networks Latin America/US Hispanic, los panelistas pasaron a ilustrar los distintos temas a los que se enfrenta la industria en América Latina.

Ana Siegel de Fox dijo que “combatir la piratería es muy costoso”, pero como fue marcado por un participante de la audiencia, puede traer resultados, tal como fue el caso de la campaña de anti-piratería de Fox en Venezuela ocho años atrás.

De manera similar, Lorenzo Rainer, de HBO Latin America recordó el éxito en detener la distribución ilegal de películas originales de alta calidad en Cuevana.tv, uno de los sitios de online streaming más populares de Argentina.

Durante una entrevista telefónica, Gustavo López de Discovery le dijo a *VideoAge* que actualmente hay cuatro formas básicas de piratería en Latinoamérica, cada una floreciendo en diferentes partes de la región. Por ejemplo, en Ecuador, el área más problemática en torno a la piratería y el principal culpable, son los sistemas ilegales, tanto de operadores de cable como los de decodificadores satelitales (SBT). El mismo problema se encuentra en Brasil. A lo largo de la región, decodificadores AZBoxes de fabricación china usados para piratear las señales satelitales, son vendidos a US\$10 dólares cada uno en cantidades de 500 unidades.

En México, la piratería se manifiesta por medio de los viejos pero buenos DVD's. En Colombia, el problema pasa por los operadores de cable que reportan una cantidad menor de suscriptores para pagar menos a sus proveedores de contenido.

López fue reticente en cuantificar las pérdidas que la piratería les causa a los proveedores de contenidos en América Latina, pero indicó que en el caso de la información de menor cantidad de suscriptores, las pérdidas pueden alcanzar al 50%.

Considerando que el negocio de la TV paga en Latinoamérica tiene un volumen anual de negocios de US\$10 billones de dólares con 45 millones de suscriptores, VideoAge ha estimado las pérdidas por piratería en América Latina a razón de US\$1 billón de dólares por año tan sólo por la falta de reporte de usuarios y conexiones ilegales de SBT. En términos de DVD's, solamente en México y Brasil, la mercadería pirateada representa un volumen de negocios cercano a los US\$500 millones de dólares por año (48% en Brasil, 71% en México).

En comparación, el negocio de la piratería de software IP en América Latina es estimado en US\$870 millones de dólares al año, o un 50% del total.

Si bien no estaba interesado en dar un dato monetario de los efectos de la piratería, López enfatizó que las pérdidas no son sólo una preocupación para los proveedores de contenidos, si no también para las industrias y los gobiernos locales. Los operadores legítimos ven como pierden suscriptores e ingresos de publicidad, mientras que la piratería representa una pérdida de ingresos por impuestos para los gobiernos. Además, las actividades ilegales impulsan el aumento de los precios, dado que los proveedores de contenidos tienden a aumentar los costos por suscriptor para compensar las pérdidas debido a la piratería.

Para los proveedores de contenido, sin embargo, la respuesta no es hacer hincapié en las pérdidas monetarias si no educar a los encargados de la regulación, los fiscales y jueces locales, y al público en general, y trabajar conjuntamente con las industrias locales, como así también sacar provecho de las soluciones tecnológicas.

La colaboración trae resultados y López remarcó el éxito obtenido el año pasado en Perú, donde 40 operadores de cable fueron forzados a legalizarse. Dado que los proveedores de contenidos individuales no poseen los recursos y/o la estructura para monitorear actividades ilegales en la región, ellos dependen sobre todo de los informes de los operadores de cable legales que se ven dañados por las actividades ilegales.

Hay conversaciones de crear una alianza para combatir la piratería en Latinoamérica, informó López, pero por el momento la industria debe verse satisfecha con encuentros tales como la Cumbre de Miami y la que se realizó en Paraguay en agosto último. Por otro lado, la MPAA (*Motion Picture Association of America*) ha estado activa monitoreando el pirateo de películas en América Latina, específicamente con actividades de lobby en México y Brasil. Otra agencia americana que está involucrada en el monitoreo de contenidos en Latinoamérica es la del Representante Comercial de USA, que en su lista de prioridades de control ha puesto como los peores países autores del delito de piratería a la Argentina, Chile y Venezuela.

Igualmente, la Cámara de Comercio de USA, además de marcar a estos países, listó a otros 10 países — Bolivia, Brasil, Colombia, Costa Rica, la República Dominicana, Ecuador, Jamaica, México, Perú, y Paraguay — con un nivel menor de delitos de piratería pero que de todas maneras fueron criticados de hacer poco para hacer cumplir las leyes de propiedad intelectual. **DS** ●



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La vida del comprador

(Continuación de la página 13)

competencia ha aumentado y el presupuesto para hacerle frente se ha visto disminuido en muchos de los casos.

Además, los modelos de negocios de compra van cambiando, mayormente con la exclusividad como algo del pasado, y las ventanas compartidas como una nueva realidad. Y los desafíos no han terminado aún, con nuevos formatos de tecnologías de TV para enfrentar, como el 3D.

Si todo esto no fuera suficiente, debe considerar las ferias de shows de TV que se multiplican constantemente alrededor del mundo (si bien las oportunidades de participar en algunas de ellas han disminuido). No hay que asombrarse que en el fondo, algunos compradores desearían ser vendedores — quizás los desafíos son igualmente desalentadores, pero pagan mejor. Aún para algunos, la atención que reciben como compradores sigue siendo una gran ventaja e incentivo para no saltar del barco.

Quizás no sorprenda, que los compradores entrevistados para esta nota indicaron que el constante avance de la tecnología ha sido un jugador principal en los cambios en sus negocios. Algunos compradores mencionaron el predominio de los DVR's, un desafío potencial para asegurar dinero por publicidad. Al menos, los DVR's obligan a los compradores a ser más creativos para conseguir que los productos de los anunciantes se vean en más lugares. “Se ve que ocurre un gran desplazamiento durante nuestra programación (particularmente de dramas americanos) ya sea usando un grabador de video digital (PVR) o por medio de nuestro servicio de actualización usando Yahoo7”, dijo Angus Ross, director de programación de la Seven Network en Australia.

Ross agregó que el mayor desafío que enfrenta su compañía es la dura situación del mercado publicitario en Australia en estos momentos (que puede ser acreditado en parte a la fragmentación de audiencias). “El control de costos es la llave”, enfatizó.

Debido a las duras limitaciones de presupuesto, los compradores alrededor del mundo deben encontrar mejores maneras de invertir sus presupuestos y decidir si procurar acuerdos por cantidad de volumen con los Estudios americanos o simplemente cerrar trato de nuevas series sobre una base de caso por caso. Las fórmulas para esto último podrían ser muy complicadas, lo contrario a los films que están ahora vinculados a las ventas de entradas locales (que era antes la U.S. box office).

De acuerdo a Ruediger Boess de ProsiebenSat1, su compañía prefiere “comprar derechos exclusivos sobre derechos no-exclusivos para poder usar el programa de manera efectiva en todas



Angus Ross, director de programación, Seven Network Australia.

nuestras estaciones y plataformas”.

Si bien Boess negó que su presupuesto actualmente sea más exiguo (“En los años recientes, la inversión en programación era cercana a los 900 millones de Euros siendo la mayor parte usualmente invertida en programas relacionados con los países germano parlantes”, dijo), él admitió que los gastos son elevados: “Los costos ciertamente no decaen — particularmente los programas americanos son de gran importancia en el área de habla alemán y van acompañados por una fuerte competencia por estos formatos”, nos dijo.

Dejando de lado el alto costo de la programación, la Internet también ha creado más desafíos a los compradores. Aldo Di Felice, presidente de TLN de Canadá, una cadena de TV que transmite programas en italiano, español e inglés, dijo: “Actualmente estamos casi siempre comprando derechos de programación en base a una plataforma neutral. Esto permite a nuestro canal ser ofrecido simultáneamente en dispositivos móviles y online. También poseemos un archivo de programas que son ofrecidos de manera no lineal, si no a la carta”.

La tecnología puede, de todas maneras, ser una cosa buena. Hay ciertas ventajas, como poder tener la posibilidad de atraer más espectadores a lo largo de más medios. “Nuestra aplicación de Media Social, FANGO, ha jugado un rol principal en atraer espectadores comprometidos con nuestra programación australiana y ayuda a que los espectadores vean el programa en vivo”, dijo Ross.

Ciertamente, los servicios online ayudaron a las cadenas de TV a recapturar parte de la audiencia y la mayor parte del dinero de la publicidad que había sido perdido a la Internet. Tal como se lo comentó a VideoAge Jack Myers, economista en medios de Nueva York en mayo último justo antes de los “Upfronts”, “Gran parte del dinero que se está desplazando del mercado online lo está haciendo hacia los propios activos de video de las networks” — como ABC.com, TV.com de la CBS y Hulu. Cerca del 50% del dinero gastado en video online irá a las networks de broadcast y cable, y la parte del león de ello va al broadcast”, dijo.

Otra ventaja de las nuevas tecnologías: hicieron más eficientes los encuentros en

los mercados. “Estabas acostumbrado a regresar de una feria de TV con montañas de DVDs y catálogos para revisar... ahora los distribuidores usan discos duros y tablets para que puedas tener una completa visión del contenido que te ofrecen durante los encuentros”, dijo Ana María Núñez Toledo de TVR, del canal de TV paga de Chile.

Además, “ahora podemos mostrar series internacionales casi de inmediato luego de su emisión doméstica usando la tecnología de los archivos en servidores. No obstante, tecnología también significa que esos shows pueden ser pirateados”, dijo Dermot Horan de la RTE irlandesa. Los compradores también están en sintonía con las mejores maneras de explotar contenidos. Por ejemplo Guido Pugnetti, un comprador de la RAI de Italia, aboga por una apertura más grande en la ventana entre el pago y la emisión al aire (FTA), especialmente para películas. Esto, a su modo de ver, va a incrementar el valor de las películas para los broadcasters que podrían contar con altos ratings.

Colocarse fuera de (la ya multitudinaria) multitud se ha vuelto más que un desafío para la mayoría de todas las networks — ya sea si son libres-al-aire, PPV, cable o cualquier otra cosa. “Nosotros probablemente operamos en el mercado del territorio unilingüe más competitivo en Europa, no solamente con competidores irlandeses domésticos, si no también con un 75% de los hogares recibiendo cientos de canales del Reino Unido, todos en la misma lengua. Por lo tanto, adquirir shows y hacerlos destacarse en este atestado mundo es un verdadero desafío”, mencionó Horan de RTE.

Emiliano Saccone, del recientemente lanzado canal de TV americano MundoFox en idioma español, viene del mundo de la TV paga, y está encontrando nuevos desafíos en la TV de aire. “En lo relativo a mi experiencia en el mundo de la TV paga, el negocio del broadcast es mucho más sensible al entorno económico, que apuesto puede volverse algo extremadamente difícil si las condiciones macroeconómicas no fueran las correctas.

MundoFox es un negocio naciente en medio de jugadores muy dominantes en un mundo que ha incrementado la elección de medios y grita fragmentación mientras que nuestro objetivo intrínseco es arribar a la masa crítica como cualquier otro canal de aire. Cualquiera podría argumentar que son fuerzas que se oponen”, dijo.

Dado que mis compradores se enfrentan a los mismos desafíos, no es una sorpresa que unos buscan el consejo del otro. (Generalmente, los compradores conocen a los principales compradores de su región como así también a aquellos que buscan el mismo nicho de programación). “Siempre hay una gran cantidad de rostros familiares en los mercados”, comentó Ross de la Seven Network.

“Estar en contacto con los otros compradores es realmente una buena idea. Puedes descubrir que resultado han tenido en sus territorios algunos de los shows que podrías haber comprado, como fueron programados, como los

promocionaron y los publicitaron”, nos dijo.

Pero, hay más de una razón para que los compradores estén en contacto. Ciertamente, uno nunca sabe cuando esos contactos pueden ser útiles; después de todo, dar el salto a vender puede ser una tarea simple, tal como fue recientemente demostrado en territorios como Alemania e Italia, pudiendo argumentarse que ocurre muchas veces menos de lo que fue en este caso. (En el lado de la distribución, muchos vendedores son ellos mismos compradores de programas necesitados de rellenar sus catálogos, por lo que el salto no es tan difícil).

Además, las oportunidades de los compradores de mezclarse están en todas partes, por medio de asociaciones profesionales, tal como la EBU en Europa o NAB en USA, o durante los mercados en los llamados “Encuentros sauna” durante MIP y MIPCOM.

Para poder entrar verdaderamente en la mente de nuestros compradores (y descubrir la información que los vendedores quieren saber), les preguntamos en qué momento del año es el en que disponen de mayor dinero. La respuesta parece variar considerablemente dependiendo de la compañía.

“Depende de muchas variables”, dijo Saccone de MundoFox. “Tu compañía puede tener acuerdos de largo plazo y debido a eso confiar sólo en ello. Otras compañías pueden no tener el tamaño necesario para sostener una gran volumen de acuerdos y debido a eso se ven forzados a ser oportunistas, por lo que están en el mercado durante todo el año”.

“Otras compañías tratan cada vez más de descubrir la fórmula del contenido original mientras reducen sus presupuestos de compras... otras compañías se rigen por el calendario anual, otras por el calendario anual de broadcast y otras por el calendario fiscal. Por lo tanto, realmente, depende”, dijo.

“Los primeros seis meses de cualquier año son dedicados menos a la compra y más a obtener información, hacer inteligencia”, nos dijo Horan de RTE.

Por otro lado, Ross de la Seven dijo que los fondos tienden a terminarse en junio, “cuando nos acercamos al final de nuestro año fiscal”.

Finalmente, nosotros en VideoAge nos preguntamos si los presupuestos de publicidad y las duras condiciones del clima económico de los últimos años significan más trabajo y menos paga, y si los vendedores han tratado de dejar de cortejar a sus compradores.

“Probablemente haya menos participantes de los que solía haber en el pasado. Los compradores y vendedores están más ocupados que nunca con más competencia lineal y digital en cada mercado”, dijo Horan de RTE.

“No necesito ser cortejado”, dijo simplemente Ross de la Seven, “Yo sólo estoy buscando grandes ideadas de programación al precio justo”. **LCB** ●

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EN EL **CORAZON** DE HOLLYWOOD



Program Buyers Grade Sellers

(Continued from Cover)

Programmer Ellen Baine concurred. “Understanding the buyer’s needs is critical. Don’t try to foist something on a buyer that is inappropriate.” The VP of Programming for Canadian movie channel group Hollywood Suite added that distributors don’t always do their homework. She cannot run animation because her channels’ conditions of license do not allow it. “So why waste time offering it to me?” she asked.

Similarly, according to Johanna Salmela, a buyer from Finland’s YLE, and Riitta Pihlajamäki, head of YLE’s four channels, the biggest mistake sellers make is “not knowing our market. We meet with new distributors, curious about their catalog [only] to be pitched shows that are totally outside our genres.” Internationally, YLE buys about 2,500 hours per year and is careful to research distributors before its buyers agree to take meetings.

According to Guido Pugnetti, head of TV Rights Acquisition for Italy’s Rai, the main problem with some distributors is their lack of vision. “Those who tend to seek immediate benefits, instead of looking to establish long-lasting relationships. For me, proposals and suggestions are welcome and sharing knowledge is needed, but pressure is mostly counterproductive.”

In Athens, John Triantafyllis, who works “for the distributors in selling their programs for Greece and Cyprus,” said “one of the major mistakes that [sellers] make is not being aware of the prevailing economic situation of the country and the restrictions the buyers face in acquiring programs.”

From the northern regions of America to the northern and southern countries of Europe, the cry from program buyers seems to be synchronized: Please understand our needs.

Closed captioning and described video, plus rights such as streaming or VoD may be part of today’s television buyers’ requirements. CBSSI’s Smith defines a good buyer as “someone that understands what rights they need as core elements of a deal and how to value them appropriately.”

“Come to us being well-informed about what we require, what rights are available, what materials are available, and whether there are residual issues or other costs involved,” said Hollywood Suite’s Baine. She finds distributors



Rachel Goldstein-Couto, director of Specialty Programming, Comedy and Drama for Canada’s Bell Media

don’t always search out opportunities or exploit their rights. She has to be proactive in order to find classic Canadian movies.

Kevin Keeley, former sales executive for Paramount’s Canadian operation elaborated: “A good distributor must know the inventory, and must be able to evaluate the programs being sold, good or bad. Be honest about your product, or it will come back to haunt you.”

In addition to practical considerations, being a good seller also means being a good programmer. “I really consider a good distributor as a partner in programming; the best ones take the time and focus in on what we want. Throwing a big net into a marketplace full of niche content channels is not a strategy for success,” said Bruce Cowley, creative head, Digital Channels, CBC Network Programming. “I don’t have the time to screen things that are sent in blindly,” he added.

Sandy Perkins, VP of Programming for Alberta-based Superchannel, agreed. “A good distributor takes the time to understand what our priorities are and customize their list of content to suit our service,” she said. “They never send stacks of DVD screeners on speculation — leaving us to sort through and research them for any possibilities. It is also frustrating to get a million e-mail messages with titles that are totally inappropriate for our service or titles that are not available in our territory.”

Rachel Goldstein-Couto, director of Specialty Programming, Comedy and Drama for Bell Media, admonished: “Don’t lose track of what you’ve already pitched me and which product I’ve already said no to.” She added, “And do continue to service your product after the deal is done.” Goldstein-Couto expects a good distributor to keep her apprised of start dates and preemptions, to supply episodic info and, especially, opportunities for promotion, publicity

and sales integration. “Programmers have a lot of pressure to show a return on investment these days and so there is an onus on the distributor to help to make the most of the product. Upside? More ROI means more money to spend next year.”

Knowing their clients’ broadcast schedules, where holes might be, their buying cycles, what the competition is selling, and keeping up with the ever-changing media world is the good distributor’s bag of tools.

Sometimes, though, no matter how good the information, how detailed the research, and how on-target the programming, the pitch to a buyer may end up in a black hole, awaiting the courtesy of at least a quick “no thanks” for the effort.

Neil Bregman, president of Ottawa-based production company Sound Venture International, who has chosen to self-distribute, understands marketplace interaction. With sufficient volume and a specialty catalog of arts, performance and documentary programs, he has been selling successfully, keeping 100 percent of the revenue, and has found it financially advantageous to do it himself. “Going to the international markets gives me a perspective on trends, pricing and needs,” Bregman said.

Producer/director Wendy Watson of Zap Productions in Toronto has gone in the opposite direction. “As an independent production company with limited access to local and international markets, we probably would’ve not made many sales without hiring a distributor, not only for their expertise, but also for their contacts in the industry.” She summed it up as follows: “Without a distributor, we would have been lost.”

Another independent producer in Toronto, Michael Glassbourg of Ticklescratch Productions, agreed in principle, but added, “Do your research, get references, and choose



Bruce Cowley, creative head, Digital Channels, CBC Network Programming in Canada



Johanna Salmela, left, from Finland’s YLE with Riitta Pihlajamäki, head of YLE’s four channels

the right distributor for your product, whether it be for the educational or the international market, and depending on its genre.”

Going with a specialist can have advantages. Natalie Osborne is the EVP of Business Development for 9 Story Entertainment, a Toronto production and distribution company whose core business is quality children’s and animation content. She said that the kid’s space especially, by its very nature, requires particular attentiveness and experience. Her company has “The expertise to ‘superserve’ our clients’ needs starting from development and production through to distribution and marketing support.”

Ticklescratch’s Glassbourg added a caveat: “Have a clear, written contract with your representative, and operate in a relationship of trust.”

CBC’s Cowley summed up the interaction between program buyer and seller, saying, “A successful relationship in this business is based on patience; a good distributor will spend time getting to know what we really like, what we really need; this way, no one wastes time.”

But there are also those rare moments that happen only because the understanding and trust between buyer and seller is so well-defined and has stood the test of time, when the buyer is willing to go out on a limb and look at something out of left field. The seller might then hear the magic words “You are right.” It happened to this writer, taking out *Degrassi* internationally for the first time many years ago. Who had heard of tween programs then? ●

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Content Piracy Biz

(Continued from Cover)

pay-TV subscriptions are also said to contribute to piracy. The latter issue, however, is being addressed in some countries with low-cost pay-TV subscription services.

These social and economic issues have created an illegal content industry that in Latin America alone generated losses estimated at \$1.2 billion in 2012 for local cable and satellite operators, while content owners for cable and satellite channels alone were deprived of \$800 million and uncollected government tax revenues for those services were estimated at \$500 million. DVD piracy losses are set at \$1 billion a year. In Mexico, the DVD business is worth \$510 million per year, of which \$450 million, or 88 percent, goes to piracy. In terms of units sold, according to MPA, 261 million DVDs are sold in Mexico each year. Of these, about 26 million are legitimate, while 235 million are bootleg. In Brazil, DVD piracy accounts for \$370 million a year, or 48 percent of sales.

Furthermore, the TV content acquisition business in LATAM is estimated at \$1.7 billion per year. Revenues for pay-TV subscription reached \$12.93 billion in 2011 (figures from Statista), of which \$1.6 billion went to content providers. Legitimate DVD sales generate \$1 billion, 20 percent of which goes to content owners.

Therefore, considering that the imported entertainment sector in LATAM generates \$3.5 billion a year for content owners, piracy takes in an equal amount. This is without considering illegal downloads, which the MPAA estimates at 96 million illegal movie downloads and 28 million television program downloads in Mexico alone in 2010.

However, only recently have content owners for pay-TV services decided to deal with this growing problem in LATAM, first by understanding the extent of piracy, second by formulating local solutions, and third by allocating more financial resources to combat it — though estimated at \$5 million a year industry-wide, it is still considered too little. This amount has to cover legal fees, monitoring, auditors, consultants and others.

Content owners taking prominent leadership roles in fighting piracy in LATAM are Discovery, FOX, DirecTV, HBO, Sony, Comcast and NBC Universal, CBS, Disney (including ESPN), Viacom and Warner Bros. FOX for example, has allocated \$1 million per year to fight piracy in LATAM. The funds are administered by Miami, Florida-based Latin America Anti-Piracy and Intellectual Property Consulting.

The reason this problem is just now coming to the surface is that until

recently, other considerations made piracy in LATAM a secondary issue, after dealing with restrictive local content quotas, spurring ad revenue growth in a two-tier business model (per sub and advertising) and windows' exploitation priorities.

For example, with advertising growing at a faster rate than subscriptions, the piracy concern was seen as a lesser issue so that advertisers could take advantage of the bonus coverage without paying for it. Similarly, cable operators didn't disclose their full coverage, because otherwise they would have been admitting to the under-reporting. When countries began restricting advertising to something like 30 percent of total revenues, the growth of sub fees assumed more relevance.

Also, in the past, LATAM's stagnant economy did not justify fighting piracy just to see little potential improvement. However, when the economic growth of the region began not to be reflected in the number of pay-TV subscribers, content owners started to take action, and with relatively little effort (like better monitoring), they saw increases to the order of 34 percent in a short period of time.

According to a presentation at the IQPC Summit, LATAM's penetration for the pay-TV business now reaches 35 percent, representing 45 million TVHH. Of those, 21.6 million are in Brazil where piracy is estimated at 10 percent. The other 23.4 million TVHH are in the Spanish-speaking region — an area where piracy is estimated at five million TVHH, or 17.6 percent that are using some form of piracy, of which there are six different types:

- Internet streaming
- FTA (free-to-air) decoders
- Informality
- Sub-reporting
- Retransmission
- Unauthorized systems (or *colgados*)

Three other studies offer somewhat different pictures. The first was conducted last September by the Paris-based Dataxis in seven countries: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela. It indicates that those countries have 41.78 million legal pay-TV subscribers and 11.44 million that are illegal, bringing the illegal reception to 21.5 percent of the total.

The second study, conducted by the Buenos Aires-based Business Bureau in



Discovery's Gustavo Lopez, left, in his Miami, Florida, office explaining the extent of LATAM piracy to VideoAge's Dom Serafini



At the third IQPC "Anti-Piracy and Content Protection Summit" in New York City: Eddy Leviten of the U.K.-based Federation Against Copyright Theft (associated with MPAA), News Corp.'s Janet O'Callaghan, HBO LATAM's José Sariego, Discovery's Gustavo Lopez, Fox International Channels' Ana Siegel, DirecTV LATAM's Maria Mariño and Marta Ochoa, among others

21 countries (excluding Brazil), states that by last June pay-TV piracy averaged out at 14 percent.

The third, coming from New York City-based data aggregator Statista, sets 2012 pay-TV subscription numbers in Latin America at 43.5 million, of which 14.4 are analog cable, 9.8 digital cable and 19.3 DTH (but it gives no indication of whether or not it includes illegal ones).

In terms of piracy, Argentina, with its large educated population, favors illegal Internet streaming. One particular website that fell under scrutiny registered some 15 million visitors a month before a group of content owners decided to bring the culprit to court.

FTA decoders are favored by countries such as Paraguay, Chile and Brazil with illegal STBs coming from China and Korea, passing through Miami, Florida. The decoders descramble the encrypted signals that come from satellite. Reportedly, in Chile some 1.4 million TVHH use illegal FTA boxes, while legal subscribers number two million. Recently, however, Uruguay took a stand by banning the sale of FTA boxes, and operators such as DirecTV are regularly changing encryption codes.

Informality concerns illegal cable systems prevalent in countries like Brazil, Ecuador and Honduras, with the latter considered the region's biggest perpetrator.

Recently, in Peru, 40 systems were legitimized thanks to a new law passed to protect intellectual property. Brazil also helped by creating C-Class packages — entry-level packages offered by satellite distribution systems such as Embratel targeting the lower middle class. These packages are offered at about U.S.\$20 per month (a lower cost than illegal systems) and include no more than 15 international pay-TV networks, plus the local FTA stations.

The act of under-reporting subscribers in order to pay less to content providers is pervasive in Colombia and could reach as many as 30 percent of cable subscribers. In Colombia, cable *comunitaria*, offering low-cost but limited service to poor families, is also popular. In reality, though, many of these — all legal — systems also

carry un-reported premium channels.

Retransmission is when an illegal cable operator legally buys multiple subscriptions, which come with decoders. With each decoder the cable operator can retransmit one channel; therefore, in order to offer several channels, it needs many decoders.

In unauthorized systems (or *colgados*, which means connected), subscribers connect cables to legal STBs to share with other people in the same building.

Problems facing content owners in LATAM are indeed multi-faceted and cover technological, social, educational and legal aspects. Legal is the most challenging because it often involves issues that are not clearly defined. Typical cases are those seen in Argentina and Paraguay. In the former, the Internet portal that acted like a search engine (a "library index cards" service is how it was presented to the court), only directed visitors to illegal streaming and downloads. In the latter, FTA boxes did not contain the software necessary to illegally descramble encrypted signals (users downloaded the proper software in their homes via the Internet).

Additionally, judges have trouble understanding complex technology, in many countries the laws have not been updated in decades and, in the case of those with current laws, they're not readily enforced.

The social attitude is also an obstacle. A study conducted by FOX revealed that in LATAM, 35 percent of people interviewed did not feel that they were doing something illegal by taking programs without paying for them. Others saw unpaid access to content as a right, not a crime. Only 60 percent of respondents considered content piracy a crime, but "not a serious one" at that.

Finally, there is the "under-reported" fear factor to contend with, when executives from content owners that have uncovered illegal systems and are willing to negotiate settlements are met by perpetrators with guns prominently placed on the negotiation tables. Reportedly, in some cases, law firms in certain countries refuse to take piracy cases to court for fear of violent reprisal. ●

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Latin America TV Growth

(Continued from Cover)

always contained a lot of TV movies and miniseries, which are both genres that have historically played well in the region.”

Anything that works well in the U.S. tends to work well in Latin America, and, reported Richter, “One of the great things about the Latin American market is that it has a heavy Pay presence. Not only does this mean that it caters to a wide variety of niche programming, but also that, for strong shows with a good cast, it is possible to create up to three windows before going to FTA.” However, he cautioned that, “non-scripted tends to be a much more fragmented market, and what will work in one country will not necessarily work in another.”

Aside from the right product, Richter credits “a close collaboration” with Miami-based Spiral — and, in particular, its managing director Zasha Robles — with helping Red Arrow connect with the territory.

Similarly, Studio 100, a Belgium-based production and distribution company with its main sales office in Germany, uses Mexico’s Comarex as its LATAM representative.

Patrick Elmendorff, Studio 100 Media’s managing director, said, “With numerous international and local channels, and a vast amount of households with great viewing capacity, Latin America has huge potential within the TV business. In addition, television technology and the infrastructure for TV channels have developed immensely over the years in Latin America, thus opening more opportunities for media.”

To Jack Alfandary, the Miami, Florida-based SVP of FremantleMedia Latin America and U.S. Hispanic, “Latin America has always been important...and we certainly see growth opportunities. It’s a very vibrant market.”

Alfandary explained that FremantleMedia Latin America has production bases in Mexico and Brazil, with local staff on the ground in those offices working on various productions in Mexico. “We also have teams in Miami working on Pan-Latin productions along with programming for the U.S. Hispanic market,” he added. FremantleMedia also produces in Colombia and Puerto Rico.

In terms of programming trends, Alfandary said, “We continue to see a lot of interest in our big formats — clear brands that are proven ratings winners, particularly entertainment and game shows.” While FremantleMedia is the producer and distributor, FremantleMedia Enterprises distributes content across Latin America.

“We have done consistent business throughout Latin America, particularly



Power’s senior representative for Latin America, Pepe Echegaray

with the pan-regional channels, but also with free TV and digital outlets, as well as DVD in certain territories,” said Diana Zakis, VP of Sales, Latin America and Asia for U.K.-based Content Television.

“Pay-TV penetration, Internet and mobile use are all growing in the region; the way we see it, the increase in these platforms and end users creates more opportunity for business,” Zakis added.

“A recent study by comScore stated that Latin America’s online population grew faster than any other global region in 2011, rising 15 percent, and that online viewing grew by double digits in Mexico, Brazil, Argentina and Chile. I predict this trend will continue, and that licensing to digital platforms will become an increasingly important part of our sales activity across Latin America,” she said.

“We handle distribution to Latin America in-house — I handle television and digital sales, while Melissa Wohl handles DVD. Melissa and I are based in Content’s Los Angeles office, close to our territories in the marketplace,” Zakis explained.

Highlighting the importance of LATAM, another U.K.-based company, ITV Studios Global Entertainment, organized a “showcase” event in Mexico City for the first time last year. It attracted approximately 40 executives from what Flavio Medeiros, VP Sales, Latin America and U.S. Hispanic, called “Mexico’s capital and regional channels.”

Describing the event as “a great success,” Medeiros said, “It is likely that we will repeat [it] in 2013, although no decision has yet been made as to whether next year’s event will be held in Mexico City again, or in Miami.”

Medeiros added that, “drama, movies, entertainment, factual and formats all sell well in Latin America.” He also expected to, “announce shortly key format deals in both Brazil and Colombia.”

From Istanbul, Can Okan, co-founder of ITV – Inter Medya, said, “Telenovelas, ‘Made in Turkey’ TV series, and Turkish feature films started to draw broad interest from markets such as Central and Eastern Europe, Central Asia and the Middle East and North Africa. We are [now] aiming to gain [a] foothold in Asia, Western Europe, as well as the Americas, especially the birthplace of telenovelas: the Latin American market.”

Okan explained that to penetrate LATAM, “We have an in-house sales team taking care of different regions and territories, which includes a native Spanish-speaking sales executive and a consultant assigned for sales in the South American market. We have been working on that market for almost a year and a half and are in the process of signing deals on scripted format sales. As for finished products, our sales team will finalize a few deals with some major Latin American broadcasters pretty shortly.”

As far as trends are concerned, Okan said, “Dramas will be the key trend, as always, in South America and the new trend in dramas will be Turkish dramas and telenovelas.”

“Latin America is a crucial part of Power’s global strategy and we’ve maintained an active presence in the region for a decade,” said Pepe Echegaray, Power’s senior representative, Latin America. He added, “Deals there represent a good percentage of [the company’s] overall global sales. Latin America’s economic potential is continually increasing, which is particularly important at a time when many economies, such as those in Europe, continue to stagnate. This is why investing in the best content for LATAM is a top priority for [us].”

Like the other execs VideoAge spoke with, Echegaray noted that “it’s important to have someone on the ground in such an important region,” and he has “operated on Power’s behalf from [his] office in Miami” since he took over the company’s Latin American operations in 2007.

Echegaray has found that the “major trend in LATAM is toward local production. Several nations have increased their local production and consequently increased their inventory for distribution. The acquisitions departments find themselves with [fewer] funds to acquire and fewer time slots to program product from other distributors.” He added that the Latin American market has shifted from primarily a telenovela-producing market to one that produces comedies, series and films that appeal to local and regional markets. Plus, “the expansion of the U.S. Hispanic market has opened up a content opportunity for those LATAM producing markets [that] see an increasing demand for their product and, consequently, profitability,” he said.

But Echegaray also pointed out that when a country experiences “either political or economic changes or [a] crisis, the licensing panorama is directly impacted. This is especially evident in countries like Venezuela, Argentina and Colombia when there have been major changes in leadership or where laws have been modified and the economy is affected. Governments establish local production laws and even quotas, limiting the licensing prospects, which in turn affects sales.” But he said, “when, on the other hand, the economies improve and there is political stability, you perceive an immediate positive change in the buying/licensing patterns.”

Jan Salling, COO and Sales director



Diana Zakis, VP of Sales, Latin America and Asia for U.K.-based Content Television

for Nordic World, rated Latin America as “an important market for us to crack [but] we have not achieved this yet,” he said. Salling tapped a number of reasons for Nordic’s relative lack of success “south of the border.” One key reason is the absence of a local partner. “Latin America is a long way from Scandinavia, so it is important for us to have someone there on the ground — someone who understands our catalog, and is passionate about it,” he said.

In fact, Nordic did once actually have local representation, but canceled the agreement due to a lack of results. “Finding the right partner for Nordic in Latin America will be our main focus at NATPE,” he said.

But he was clear that there are other challenges facing Nordic in Latin America. “For one thing, we are a boutique Scandinavian distributor and the simple truth is that a lot of our catalog just isn’t suitable for Latin American audiences.” Salling continued, “We are a relatively new company and have only been selling formats since MIP 2011. This means that a lot of our formats have not yet had the chance to build a track record of international success. It is very hard to attract attention in Latin America to a format that has only got a track record in Scandinavia and a few of the smaller European countries.”

British company Optomen has enjoyed recent success in the region. Optomen’s director of Sales, Caroline Stephenson called Latin America, “a very important growth area for us.” She added: “The amount of business we do there is increasing rapidly due to the success of food-related programming in primetime factual entertainment slots on all channels.”

The one European nation that, for self-evident reasons, has always had a major presence in Latin America, is Spain. The extent to which Spain stands out from the rest of Europe in the region is emphasized by Carme Puig, International department coordinator at Catalan Films and TV who, while welcoming the new digital platforms as “a plus” said that, “theatrical and television sales are still the main goals in distribution for Spanish companies.”

Puig also described the most important challenge facing Spanish companies in Latin America as “co-production issues, especially in relation to tax-shelter supports, which are being developed in the majority of South American countries.” ●



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NATPE's History Repeats Itself

(Continued from Cover)

The 1980s

During the '80s, when oversized sweatshirts and skin-tight leggings were all the rage in the U.S., NATPE was held in Las Vegas, New Orleans and even Houston, and the international TV contingent was struggling to make itself known in the U.S. In 1983, *VideoAge* reported that there were differing opinions about whether NATPE was solely for domestic business, or whether it was an appropriate place for international business to take hold. Perhaps unsurprisingly, the international contingent was expected to be smaller that year. Also in 1983, the conference design allowed for four days of screenings and reserved the last two days for workshops, discussions and awards, leading some to complain that the "conference workshops and award ceremonies interfered with the real business of buying and selling." Some syndicators even talked about holding a separate convention for screenings, or withdrawing from the convention format altogether to screen product for stations individually instead.

By 1986 and 1987, the focus had shifted to the high costs in New Orleans, where NATPE was held. In a preview article for the 1987 edition titled, "NATPE Convention to New Orleans Again: Problems, Solutions and Expectations," *VideoAge* noted that on top of expensive hotels and restaurant menus, a nine percent sales tax on all goods would also empty wallets.

Despite grumblings about the high costs, NATPE took aim at helping the international contingent feel more at home, and *VideoAge* reported in a 1987 article titled, "NATPE changes its domestic image for a more int'l profile," that although the market "remain[ed] a mainly domestic affair, it [was] attracting more and more broadcasters and distributors from other continents." According to Sunbow's Fred Cohen at the time, "NATPE is really NATPE International and it's attracting more and more overseas programming people who come over not only to see what new productions are available, but to introduce their product into the marketplace." So, it should come as no surprise that attendance figures rose, as "the amount of floor space occupied...increased."

"The tremendous growth of Spanish-language programming [was] reflected at NATPE by the first session



1992. Irv Holender with UWF wrestlers and their manager Herb Abrams

ever to be translated simultaneously into Spanish," *VideoAge* reported in our 1988 article, "NATPE Stresses Quality Programs." Additionally, the conference program included more activities geared toward international attendees than in years past.

The 1990s

NATPE faced a downward spiral in 1990, as indicated by our 1989 preview titled, "NATPE Sings Blues In New Orleans." The theme of the market that year was "Challenges of the next decade," and, as *VideoAge* reported, "storm clouds [could] be seen gathering on



1993. Armando Nuñez Jr., Tetsu Uemura, Hiroyuki Nakamura, Barry Barnholtz

the horizon." One attendee complained about the domestic seminars held at the event, which he deemed unsuitable for international visitors. Additionally, NATPE implemented various restrictions on the exhibition floor, banning food, live demonstrations and caricatures from TV shows, which effectively "took the show out of show business." We recapped the 1990 event with the headline: "NATPE's Darkest Hour Passes Into History." To exacerbate the problem, it wasn't a great



1993. Chicca Pancaldi, Guido Pugnetti



1993. Marion Edwards, Jim Gianopulos, Len Grossi

time for the syndication business, which we billed as the "bread and butter of NATPE."

In 1989, *VideoAge* also previewed the upcoming 1990 NATPE with an article written by then-president Phil Corvo titled, "NATPE's New Intl Accent," in which Corvo stated that NATPE International was increasing its role in international program marketing, and had set aside two mornings for international attendees to visit booths without domestic buyers present. They also arranged an international reception for foreign buyers, and European registration paced ahead of the previous event.



1994. Hector Beltran, Belinda Menendez, Carlos Bardasano

But not everyone was satisfied that enough was being done for the international contingent. In our 1990 article, "Pardon My Indifference: But This Is NATPE!," *VideoAge* highlighted the sense that foreign TV executives were being "treated like the plague by domestic U.S. syndicators." As we reported, "The problem is the syndicators on the floor are there to do domestic business. They aren't there to do international wheeling and dealing. So the international buyers get lost in the shuffle."

As a response, NATPE tried to bring more attention to international buyers. Thus, they sent out brochures on the nuts and bolts of the convention that were printed in French, German, Spanish and Italian, and the NATPE International Service Center was prepared to help foreign buyers and sellers. It marked the first time a united Germany and The Association of French Program Producers exhibited. Then-president Phil Corvo



1994. Joe Lucas

assured everyone that NATPE was making an effort to become the premier world marketplace for the buying and selling of TV programs.

In 1990, *VideoAge* posed the question: "Is NATPE A Good Market?" The main concerns were budget considerations (namely that the market was too



1994. Victor Tobi, Roberto Barros

expensive) and international attendance, though many attendees acknowledged that progress had been made.

The push to "beef up [NATPE's] international effort" continued in 1992, when "global programming finance, technology and co-production topics [were] featured at the 1992 NATPE international seminar, under the banner *On A Clear Day, You Can See 2000: International Television in the '90s*." NATPE's then-seminar coordinator, Joe Barbarino, acknowledged that "making NATPE attractive to an international crowd has been an ongoing effort." It seemed syndicators were beginning to



1995. Joseph Matesevac, Ray Donahue

(Continued on Page 26)

JANUARY 2013

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NATPE's History Repeats Itself

(Continued from Page 24)

understand the value of the international market, and by 1995, the international contingents from Latin America, Canada and Europe were increasing, but of the more than 400 exhibitors, only 44 (11 percent) were from outside the U.S.

However, the 1992 convention also brought about grumblings regarding the “expected higher costs for NATPE ’93 [in San Francisco].” According to unofficial estimates, the costs were projected to be 50 percent higher than in New Orleans.



1995. Pedro Leda preparing for a press conference

By 1996, *VideoAge* spotted a new trend at NATPE, reflected in its preview headlined, “NATPE’s Reverse Trends; U.S. Becomes a Minority.” Registration that year ran at 30



1995. Greg Phillips (r.), Margaret Nicoll and Miguel Salvat

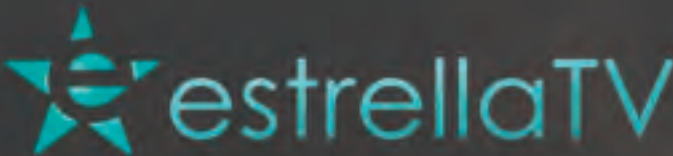
percent U.S. and 70 percent international. Additionally, there was a 97 percent increase in cable network participation, a 41 percent increase in broadcast television networks and a 25 percent increase in new media and international companies. We reported that, “International exhibition participation alone increased 21 percent from last year.



1997. Susan Elkington, David Ellender

NATPE’s International Pavilions...are up 25 percent.” Russia and Spain had pavilions for the first time, and there were seminars on both international and domestic television.

This trend continued when in February of 1997, a *VideoAge* headline reported, “NATPE Loses Domestic Steam, Gains Int’l Status.” That year, there was an overall drop in attendance, which we



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1999. Tomas Darcyl and his sales team

attributed to the fact that some companies folded and were absorbed into others, and the number of TV station groups had been reduced. But international exhibitors were strong at 242 from 87 countries, compared with 77 countries the year before. In total, 3,265 non-U.S. attendees — an increase of 10 percent over 1996 — went to NATPE.

In 1998, we deemed NATPE crucial to the “expanding ‘gateway’ between Latin America and North America,” bringing to the industry’s attention the fact that Miami also serves as a gateway (a precursor to the move to Miami in 2011).

The 2000s

In the new millennium, *VideoAge* declared, “NATPE Brings Renewed Hope to Syndication.” Though the 1999 U.S. TV season was rough and syndication was losing strength, we predicted, “As NATPE [drew] closer to fostering more ‘convergence,’ an ever-increasing number of Internet and dotcom companies will begin to make deals with producers to satisfy the wants

(Continued on Page 28)

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NATPE's History Repeats Itself

(Continued from Page 26)



2000. Charles Falzon



2002. Fernando Barbosa

of their consumers.” There was an upswing in 2001 when then-president of NATPE Bruce Johansen announced that a record 800 advertising executives would attend the market.

Yet in 2002, although there was a strong contingent from Latin America, “The major U.S. domestic distribution companies not only pulled out of NATPE,

but also set up a competing market in a hotel-suite format at the Venetian, one of NATPE’s unofficial hotels during the Las Vegas conference.” We reported that, “Domestic divisions of the major U.S. TV companies may not be back for NATPE 2003. Meanwhile, the international arms of the large TV companies will only



2002. Eugenio Lopez Negrete, Eduardo Clemesha, Isabella Marquez, Mariano Vertiz



2003. Marcos Santana (c.), Ernesto Carrizosa, Ignacio Barrera

exhibit in a hotel suite environment (with or without NATPE’s blessing).” It seemed that the non-profit organization could have been on the verge of financial collapse, and we reported that it was “difficult to estimate how long the association could conceivably stay in business at its current rate of yearly expenditures.”

Things were still heading downhill in 2003, the year Rick Feldman — a “savior” but not a “visionary,” as *VideoAge* has said in the past — was named president and CEO. But *VideoAge* saw “Signs of Vitality Without [a] Respirator,” as we noted in our headline, and participants were looking forward to a return to Las Vegas the following year.

Vegas proved a good antidote in 2004 when the market showed “definite signs of rejuvenation” and a resurgence in floor traffic. The 2005 market was the “best it’s been in years,” according to our review titled, “Floor Gets Hot, Lifts Backfire, Biz Lights Up.”

On the first day of the 2006 market, the WB and UPN announced that they would become the CW, which brought the focus back to the domestic side. More Internet companies and mobile carriers attended the event than ever before, and there was an over-20 percent increase in Latin American buyers.

By 2007, *VideoAge* reported that NATPE had transitioned into a one-day affair, and the “question remain[ed] whether new platforms, international buyers and sellers and independent distributors [could] take the place of NATPE’s traditional bread and butter: The syndication business.”

Though the 2008 event was busier than in the recent past because program buyers came to meet with studio reps to iron out plans for the writer’s strike, more and



2012. A+E Networks’ sales team



(Continued on Page 30)

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NATPE's History Repeats Itself

(Continued from Page 28)



2009. Susan Bender, Sally Treibel

more studios abandoned the convention floor for the suites, and some even sent reps but did not exhibit. This lack of floor presence was exacerbated by the fact that the high number of conferences took people away from the floor.

By 2010, NATPE announced that it would move from Vegas to Miami — a move *VideoAge* viewed as overdue recognition that NATPE had morphed into an international event. However, Disney did not attend in 2010, and “The outcome wasn’t rosy, but the consensus seem[ed] to be that the market has hit bottom and now has nowhere to go but up.”

Things were looking up in 2011, when NATPE moved to the Fontainebleau Hotel in Miami Beach, as indicated by our headline, “Miami Market Marked Momentous Moments.” The parties returned (including two pre-parties), and it was evident that the market would be a success before it even began. Yet, despite the upside of being in Miami, many felt a need for more mid-sized companies to exhibit on the floor, since a large number of companies set up shop in suites in the Tresor Tower of the Fontainebleau, making the elevators congested and causing buyers to be late for meetings, or even miss them completely.



2010. Delmar Andrade, Edson Mendes



2010. Valerie Cabrera

The 2012 event marked the last under former president and CEO Rick Feldman, and the new president and CEO, Rod Perth, will have a chance to make his mark at the 2013 event, when NATPE celebrates its 50th anniversary.

According to Perth, “NATPE’s 50th Anniversary is a moment that should be celebrated by everyone in this amazingly vibrant and resilient industry. Our Miami market/conference is the first must-attend event of the year, and our mission is to catalyze the most productive and successful U.S.-based content market and conference. Our theme this year is ‘Beyond Disruption,’ which speaks to the wealth of opportunity that has been created in recent years by technology. By facilitating ongoing conversations among the Hollywood, international, digital, brand and agency communities, NATPE is becoming a critical bridge between content creation and monetization,” he said.

“But,” he added, “it’s not just about how much business will be transacted — with influencers and decision makers from around the world, the opportunities for networking at NATPE are endless and invaluable.

“And finally, any birthday deserves a special celebration, so we are throwing a must-attend 50th Anniversary party for everyone at NATPE on Tuesday evening at the Liv Club,” he said.

Only time will tell what this year — and the next 50 — hold for NATPE, but in the meantime, we’re grabbing our party hats. ●



2010. Peter Iacono, Kevin Beggs



2010. Lisette Osorio, Camila Reyes



2011. Eric Mueller, Stephanie Pacheco, John Garcia, David Stern, Gustavo Gomez, Tomas Davison

NATPE 1983: FROM *VIDEOAGE*'S MARCH 1983 ISSUE

We don’t know how long NATPE International will remain International — however welcome that designation may be. Some syndicators and buyers are complaining about its size and unfocused schedule. Other international events now taking shape in the U.S., such as AMIP-TV, and domestic events such as INTV, could be more appealing to some (the informal, relaxed atmosphere is what contributed to the meteoric success of the Monte Carlo TV Market). NATPE International could maintain its lead by once again fine-tuning its format. To us, an international TV market in the U.S. makes sense. It could reduce U.S. distributors’ increasing marketing costs, offer foreign distributors new opportunities and bring together all the major foreign buyers — Canadians, Australians, British, Italians, Germans, Japanese, Latin Americans — who make the U.S. a regular stopover.

One suggestion is to have NATPE’s international aspect leading the domestic event, with seminars and conferences starting a few days earlier. This arrangement would suit the U.S. distributors, who could prepare themselves while attending to a relatively small clientele; the foreign buyers, who now feel neglected; the interested U.S. TV programmers, who could pay closer attention to foreign products; the foreign distributors, who could perform more effectively; and the organizers, who would be relieved of some heat.



2012. Gene George



2012. Luciana Egurrola, Mariana Fernandez

50 years

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Conferences & Event News

Hotels Nickel & Dime You Dry

Travelers can expect U.S. hotel operators to increase rates by eight to 10 percent in 2013. This is because demand for rooms began to increase as early as 2010 and will continue to do so.

Experts predict that the hotel industry will start the year with average occupancy of 61.4 percent and will pass the historical 62 percent average by the middle of 2013. That means you'll find fewer rooms available, especially in major cities.

But hoteliers will not be happy with rate increases alone; they'll also milk you for the extras, like Internet access, breakfast and parking.

In 2011, the U.S. collected a record \$1.85 billion in fees and surcharges. That amount grew to \$1.95 billion in 2012 due to higher occupancy and fees.

During a recent stay at the Marriott Biscayne Bay in Miami, Florida, a \$21 buffet breakfast did not offer any healthy food, and the Wi-Fi cost \$13 per day.

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M y T w o C e n t s

Let me explain why, in my view, film and TV festivals — but film festivals in particular — have become useless to our industry.

I've counted 360 major film festivals around the world; one held almost every day of the year. The proliferation of such festivals was one of the conference topics at the 2012 American Film Market (AFM). The AFM's organizers stated that there are some 4,000 audiovisual festivals worldwide.

These festivals are held for a sector that employs only about one million people worldwide, which is not surprising, considering that the core of the international film business's commercial area comprises no more than 10,000 people.

The goal of most, if not all, of these festivals is to place American films in competition and to encourage Americans to participate. But, if American executives and talent (actors, directors, scriptwriters) were to participate in even a small fraction of the festivals around the world, they would not have any time left for work.

In the past, film festivals were beneficial to the industry because they helped save publicity costs. They were also helpful for finding distribution channels or securing financing or co-producers for future projects. Today, with the evolution of the film and TV industries and their new economic and exploitation models, the advantages festivals once provided are gone, rendering these events basically useless to the professional sector.

Specifically, for movies in the \$100 million range, entering a competition is a risky undertaking since the film could embarrassingly lose, but also because the producer would have to relinquish control of its marketing. Plus, imagine if a movie with a genre not clearly defined were described as a "comedy" when the producer saw it as a "drama." This is without considering out-of-pocket costs that the festival does not cover.



In addition, nowadays film festivals are no longer useful to companies as a means for finding new content to distribute. Indeed, A-list titles have distribution in place even before the movies are produced, and B-list titles, mainly from indies, are known because they require financing, pre-sales and co-producers. The rest of the films are not invited or selected by festival organizers. Therefore, in order to find them, distributors have to attend trade shows such as AFM or festivals that have markets attached, such as the Cannes Film Festival or TIFF. This is why AFI, the film festival held in the heart of Hollywood, changed its date and attached itself to the AFM in November in order to survive.

In its AFM edition, *VideoAge* documented why film festivals are no longer useful to companies as a source of new content to distribute.

The only people left to benefit from festivals are producers with unusual movies that actively seek to enter as many festivals as possible to get some visibility and to find willing distributors (outside

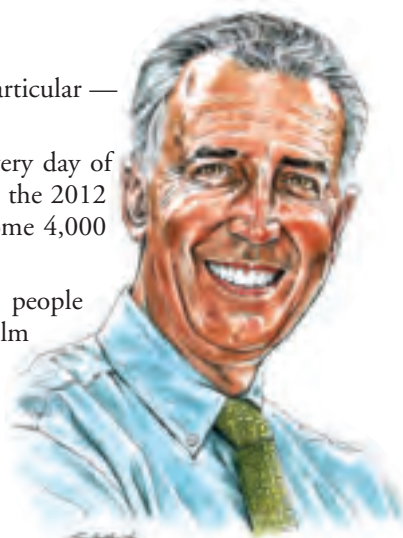
of those who've already passed on them).

Unfortunately, festival organizers want to get local media attention; therefore, they do not pay attention to C-list movies that would have otherwise attracted more industry attention. In addition, some festivals have become a legal form of political patronage, thus they require lots of media attention in order to justify the use of public money.

To survive the industry's new paradigm, festivals should first and foremost serve the industry: Only in this way will they attract attention from the sector and thus make participation necessary. This is why it is important for a festival to focus on films that don't have distribution in place, or those that have only partial distribution. Plus, festivals should organize concurrent trade shows for those films that have not been selected for competition and are without distribution.

The "glamour" aspect of a festival should be found elsewhere, such as at conferences, where stars can participate without risking negative backlash — like Robert Redford and Arnold Schwarzenegger, who hosted conferences at MIPCOM to promote their projects. Another option is to create awards like the Los Angeles Press Club, which established an "Oscar for Entertainment Journalism," bestowed upon Jane Fonda.

Dom Serafini



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