



SXSW 2015 Market Report

Market dates: 13 March - 21 March 2015

Report by: Cieron Cody, VP-Development &
Production, Screen Queensland

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Purpose of Travel:

- Engage with major stakeholders in the screen sector to raise awareness of the viability of partnering with Queensland.
- Establish commercial relationships that can be leveraged in service to the local industry.
- Attain and implement vital current market and industrial contacts and intelligence to best understand the needs of the local industry and focus current efforts to address these needs.

Trending Topics were vast and many of which have roots at previous SXSW conferences. Amongst them were; robotics, Virtual Reality, Augmented Reality, maximising content for less, immersive technology, the rise (and need) in marginalised voices in industry, 3D printing in Hollywood, hyper reality TV and online media, increasing culture of instant gratification in media, breaking the fourth wall with new technologies, the future of cinema, multiple format potential in projects, the state of online finance, building audiences online, rise of the female show runner, wearable tech, the takeover of online platforms (YouTube, Netflix, Hulu, Vudu, Vimeo, BuzzFeed, Yahoo, Amazon), social innovation, the state of the innovation economy, sustaining relevance in a state of constant digital change, UX (user experience), online authenticity and community building, data mining and analytics supporting iterative narrative process online.

SXSW:

SXSW can be appreciated for its world-class position in presenting current intelligence throughout the areas of interactive, film and music. Its point of difference lies in its multi-disciplinary breadth and attention to sector overlap and because of this, convergent thinking sets about a primary framework. It serves up unique conditions for industrial and market intelligence exchange across traditional business practice to disruptive methodology and philosophy.

SXSW offers a strong foundation for networking with leading thinkers, decision makers, and creatives. I found that sales agents and distributors spent more time at screenings and casual networking and this provided more breathing room for networking than what you might expect at sprint paced events like AFM.

The innovative tone of SXSW gives a sense that you're at the industrial helm with an overview of new frontiers in screen practice. I noticed that a high number of filmmakers in competition were also recent Sundance nominees/winners. The program lends itself to distinct voices, disruptive points of view and subject matter either challenging, cutting-edge or comedic. Combined, these elements make for fertile ground for market players eager catch talent early.

Furthermore it's now commonly accepted by major broadcasters and other market players that remaining current requires active pursuit of knowledge and there's a rising fear that by not keeping abreast of new-thinking one will fall behind. It's interesting to gauge the sense of vulnerability felt by the market. What this means for business is that the market is open, curious and willing to understand commercial potential from untested places. I observed that whilst the market expressed fierce curiosity they were still at times disoriented by the noise which only further emphasises the need for innovative projects to articulate their value in succinct, sophisticated ways that express market sensitivity.

Some takeaways:

In broadest terms, as digital technology enables affordable start-up ventures, sizable innovation industries are evolving in new regions. With their large populations and increasing middle-class, Mexico, Brazil and China continue to command interest - yet business is primarily occurring with the US and Europe. Other countries of interest such as South Africa are also vying for commercial partnerships with US/EU, although there was a small presence at the conference from the region.

Following last year's launch of Oculus Rift, Virtual Reality is a growing hot topic that promises to revolutionize both consumer behaviour (across industries) and narrative experience. The technology is arguably nascent in some respects, yet very impressive and the industry is amidst a push to give the average household access to the viewing technology with a simple combination of a cardboard template as frame/body (with two lenses that can be purchased cheaply online) and a smartphone.

It's anticipated by some that access will snowball with patterns of uptake similar to that of social media or where millennials provide the doorway to gen X and Y (but this is sector specific). VR offers a new marketplace and as such consumer appetite cannot be fully measured. But what is known is that big businesses are hungry to find their advantage from this technology and be amongst the first to engage consumers. Having content to feed the early appetite of consumers may impact innovative businesses similarly to those riding the first waves of the mobile app boom and the early platforms are beginning to take shape, i.e. Milk VR App (said to be the YouTube for VR). New technologies are being created to further deepen the interactive potential between consumer for services/product and viewer/participant for story. Predictive, interpretive and immersive are frameworks of thinking and technology driving these areas and ask how can one push the boundaries of 'personal' engagement by tapping into the consumer/viewer identity? Studio's such as Warner Brothers are providing seed investment into new technologies that will enable them to better understand audiences. Facial recognition technology is an immersive feature that promises to enable screen content to respond to the changing emotional condition of viewers and this prospect offers a fascinating untapped resource for real-time interactivity and at an unprecedented emotional-read level. Apparently few screen companies have this ability but as it progresses (and should it build market confidence), so too will new interpretations and philosophy around narrative.

We can see already that new narrative practice similar to game provision is evolving around online screen models, where 'iteration' requires and enables real-life responses, made possible by direct contact with viewers. This model empowers audience interaction and delivers potentially vast strands of feedback and analytics. There will be an increasing need for screen practitioners to understand metrics and be able to draw lessons that will in turn influence content. In this way, the future of digital screen content is expected to tightly combine a mixture of behaviour and service similar to social media, games and traditional broadcast. Of course, this reality is already in motion and an agenda continues to be about how to use and/or build technology that better serves audiences in real time. This also heralds an unprecedented level of multi-disciplinary skills required of smaller teams, over longer periods of time. It is said that because of the increasing affordability of high-quality, high-functional digital technology be continually elevated and increasingly accessible.

There are millions of mobile and hand held apps available and this number is not slowing down. New models of convergence are further tightening regions globally and it's said that we're embarking on multi-niche and social-niche epoch. This means an increased fracturing, or breaking down of services to be more specific to the needs of sub-cultures, social and community groups (even small families) and people's lives will be organised with a complex yet simply utilized hierarchy of mobile-based service aggregators. But I guess that's well underway thanks to the iPhone and friends.

Online social networks and media monopolies are deepening their reach into screen content provision and distribution in a very scalable way. Their aim is to exploit their point of difference and avoid reinventing the wheel by creating frameworks that exploit other major social platforms/networks and in doing so create new standards of convergence. Counted amongst these; Amazon, Facebook, Twitter, Hulu, Vudu, Netflix, Pinterest, Vimeo, Yahoo Originals, Snapchat, MCN's, Instagram and BuzzFeed. The latter is very interesting with a Motion Picture budget investment of \$50m (2014), bringing the company's value to \$850m. BuzzFeed holds to the iterative model. It has 1 billion views per month across quadrants; news, life, feed and motion pictures. These quadrants organise subject matter and are further structured through feedback loops which utilise other sizable social media platforms. It doesn't matter how BuzzFeed content is consumed, in fact, content is designed to be platform-neutral or cross-compatible and it's their ability to traverse many platforms that makes them uniquely convergence rich and sets the standard for convergence and what they call their Network Integration Model. To appreciate their distribution path, monthly referrals to BuzzFeed from Facebook are 34m, 12.5m from Twitter and 60m from Pinterest. This practice also requires that BuzzFeed exploit the point of difference of partner platforms and in so doing informs an output strategy that is highly scalable but heavy in both micro to short content. Low to no budgets make up content and the idea is to maximise offerings, for although much of it will disappear into the noise, there's always something that'll pop – for example, the recent Blue/black or White/Gold dress debate, which was one of the biggest posts in the platform's history. Engagement was bolstered through immediate action on early signs of performance potential triggering strategic efforts included localization (translated into 5 languages), interactive voting features, broadcast on their pop-culture and science desk, with multiple staff postings where 40 posts landed 52million views. Understanding BuzzFeed's capabilities is important in appreciating convergence potential particularly as it will relate to the power of new opportunities for short and long-form content creators eager to generate and maintain visibility. Whilst companies like BF maximise content through audience generation and curation, they are using analytics to better understand what the audience wants and how they behave. It's with this vision that they're now developing their own content with revenue streams from add-share or through advertising campaigns similar to what can be found on YouTube and that may form a finance backbone. BuzzFeed are looking towards feature opportunities and are now in the process of setting up a production office in Sydney and it is likely that they will provide a useful window for all level of filmmakers.

Australia at SXSW:

The Australian contingent is one of the conference's highest participant rates (from industry) coming in 5th out of 82 registered countries, separated only by less than a couple of dozen compared with Germany and Brazil, whereas Canada, the UK and US are further along. This indicates the strength of Australia's convergent interests, creative and business practice and captures the significance of agency participation and awareness.

What SXSW does particularly well is continue the conversation. By creating a community around its attendees and contributors and by furnishing this with layers of platforms for the exchange of information, it continues to serve the needs of many by connecting interest groups and maintaining real-time dialogue on current and unfolding issues. It's a positive value add.

For those curious about sessions and talks SXSW's homepage serves as a window to its previous sessions with a YouTube channel and Soundcloud files. This is a valuable resource. Currently you'll find keynote addresses from screen leaders such as Mark Duplass and Ava DuVernay, each of whom offer interesting lessons and perspectives for the aspiring filmmaker.

The support for registered attendees is of a high quality. An Australia convener and seasoned SXSW attendee is assigned to manage an Australia Facebook group page which is continually enriched with tips, resources and caveats. Conversations between its members are highly active and offer a deeper sense of who from home will be going. This is particularly valuable to the first timer. To further encourage interaction a sophisticated directory organised by industry, names, tags and discipline facilitates searches and introductions for those contributing a profile and I found this to be a brilliant resource.

One word of caution; if you're going, book now (yesterday if possible). The demand for accommodation outstrips supply and this drives costs through the roof. For solo adventurers, AirBNB has caught on to the opportunity and will not be your saviour. Book early!

Whilst hard work, it was a great privilege to represent Queensland's vibrant screen sector; deepening industry contacts and intelligence in efforts to feed our commitment to address the needs of the local sector. Pathways between market and industry have been established, driving efforts to shape practice that enhances our ability to operate in an innovative and changing marketplace effectively, commercially and locally, on a global scale.