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Distribution Forward

Distribution Forward: a guide to strategic self-initiated digital and DVD documentary film distribution.

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Introduction

Distribution Forward: a guide to strategic self-initiated digital and DVD documentary film distribution.

Distribution Forward illustrates the current climate of digital and DVD distribution of documentary films through examples, case studies and direct market intelligence from players in the field. This guide will provide tools, information and support to help filmmakers determine their own strategies for their films' market trajectory.

Additionally, *Distribution Forward* intends to dispel the myths and better inform filmmakers about the realities of the market place, helping them to achieve positive results and meet their financial, professional and artistic goals.

The dialogue around digital documentary distribution has run the gamut of DIY, DIWO, hybrid, and self-distribution, which can confuse filmmakers and muddle their expectations. This guide intends to shed some light on the current climate. It is by no means exhaustive and there are a many avenues worthy of exploration. Let this guide and the accompanying resource list be a starting point for your examination of digital distribution.

Why Distribution Forward? Frankly, because there is no turning back.

Elizabeth Radshaw, Hot Docs Forum and Market Director



Twitter length conversation bubbles
@DistributionFwd tiny bits of
distribution wisdom.

The Marketplace

Elizabeth Radshaw, Hot Docs Forum and Market Director

Let's establish some simple and fleeting truths about the current digital marketplace for documentary film:

- Audiences can consume content via multiple screens: theatrical, television, computer, tablet and mobile.
- On those multiple screens, there are numerous platforms for audiences to consume media (e.g. digital, cable, satellite, internet, and mobile providers).
- By way of these multiple screens and numerous platforms, your audience can access an endless ocean of content – from amateur to professional, and everything in between.

This clear illustration by Jeremy Juuso details the product flow of VOD and digital distribution: http://www.baselineintel.com/research-wrap?detail/C8/making_sense_of_new_media_a_vod_digital_distribution_chart.

Your goals in this ever-changing marketplace with its limitless selection are to find your audience, get your film's message out there, and ideally generate some revenue.

But, so many questions and apprehensions come to mind concerning the digital distribution marketplace:

If my film is online, won't people steal it? Piracy is against the law!

There are challenges to the digital marketplace, as mentioned above. Additionally, for many there is an irrational fear of piracy tied to distributing content online. But, as Crowd Starter's Paula Freccero states in this very informative panel <<http://thefilmpanelnotetaker.com/thecrowdstarterrevolution>>, piracy is not your problem—obscurety is your issue to face.

You have to somehow push your content through hours of dancing cats in bow ties, romantic teen vampire series, shoe shopping and porn. Your film will cut through that ocean of content and only you can make that happen. You are creative, and with a strong entrepreneurial spirit your strategy and approach to digital distribution should be too.

So really, will people watch my film online?

Five key factors will help you find an online audience for your film. Audiences need *availability* and *access* to your film. *Quality* and *convenience* rate next in importance to draw audiences to a digital outlet for your film. Finally, audiences prefer a *range of content* and various *commercial models* to access content.

A recent Documentary Organization of Canada report suggests that digital distribution offers some insight into the challenges of measuring viewership and validating success via the traditional models. <<http://www.docorg.ca/sites/docorg.ca/files/DOC-DigitalDistributionReport-English.pdf>>

Thankfully, digital distribution is not done in a vacuum. It is part of a greater distribution strategy that involves all aspects of rights—from theatrical, to free-to-air, to educational and ancillary—that often results in quite complementary interactions amongst rights. Additionally, the digital marketplace is global; it's not limited to just Canada, which currently has about the same population as the state of California.

Key metrics and analytic software can likely supersede the questionable accuracy of television ratings and define a true measure of online viewership. How do you measure impact and viewership online? Sparkwise—BAVC's metrics dashboard—does just that. It will gather key metrics and analytics related to your project's views and deliver hard data that you can leverage with financiers. Nielsen has nothing on this.

Don't people only watch short-form content on their mobiles/tablets/laptops? They will never sit through my feature documentary on their computer screen!

Short-form content via any device is very popular; but as mobile technology coupled with ubiquitous Wi-Fi and 3G coverage constantly improves, watching anything, anywhere at anytime is becoming the norm. Today, more and more households are buying box top systems that allow web access via televisions with internet built-in. Others just plug their laptops into television screens and bypass cable operators all together. This has resulted in a rise in online viewership of traditional programming i.e. one-hour programs. <http://burstmedia.com/pdf/burst_media_online_insights_2011_11.pdf>

All of this implies that if an audience can find your content online, they will likely watch it online. If you are not convinced, go ask a 14-year-old where he or she watches their media content.

Is there really money to be made with online digital distribution?

Is there salt in the ocean? Yes.

Money in digital distribution exists, but, like salt, extracting it takes some effort and a plan. A content creator's strategy for success in this evolving marketplace will vary depending on end goals for the film product, industry segment, and position in the market. All players will need to raise their game to compete—in particular, to adapt to a marketplace with an endless variety of media content and multiple content delivery platforms. Content creators must define goals and value sets. You will have to find your audience and drive them to the platforms. You will have to do this sometimes on your own and often with partners. It is going to take time, money and energy. Position yourself with the currents and make a plan to rise with the tide—we watch the internet and you need to be on it.



@DistributionFwd: Share money, not Just Content @ flatr.com social micro-payment system #small payments have a big impact

The Rights

Greg Rubidge, Syndicado

A brief glossary of key digital rights terms:

Cost Per Thousand (CPM) – is the cost or fee an advertising company is willing to pay to reach 1000 impressions in whatever media they're using to reach people (e.g. billboard, transit, web banner).

Disc on Demand – is a web-to-DVD sales service whereby a customer can order online (via web or mobile site) a physical DVD that is printed and shipped out via post or courier. The key point to this model is that no physical inventory needs to be created and stored, which avoids having to pay an upfront cost for a minimum run. The downside is that the revenue share is generally higher for companies offering this service.

Download to Own (DTO) - refers to the electronic transmission of content to a customer whereby that content (e.g. film, TV episode, or game) can be stored and accessed for a definite or indefinite period of time. The electronic device can include, but is not limited to, a personal computer, set top box, mobile device, or game console.

Electronic Sell Through (EST) – is the sale of a title, program, bundle of programs, or series ordered through the internet, web or cellular data network, irrespective of the end format (i.e. digital download or DVD) or device from which the electronic order was transmitted that are device specific (e.g. personal computer, cell phone, game console, set top box).

Geo Blocking – refers to the process of identifying a user's IP address and using it to restrict access to a web page, download or other content via the internet. Ranges of IP addresses are unique to individual nations, and are used by geo-blocking software programs to allow or deny access to content based on territory rights.

Subscription Video on Demand (SVOD) – is a monthly service that provides a bundle of programs from which individual consumers can select a title to view on demand. The monthly SVOD service can be a consumer pay service, or it can be provided free by the exhibitor. In the latter, the exhibitor has acquired unlimited viewing rights to the programs for a set fee or a fee per subscriber, or has negotiated other such considerations with the distributor.

Video on Demand (VOD) – means a digital video exhibition based service that enables individuals to select video programs from a central server for viewing on a television, computer or mobile device for a set amount of time (e.g. 24 hours, one week, one month). Although this term has referred specifically to cable-TV VOD, it now can refer to the mainstream service of providing movies for rent on demand across devices and platforms.



@DistributionFwd: @TopSpinmedia.com
#sweet package solution spreading content to connect with audience and pro-grade store to sell directly to them. Added bonus: built-in fulfillment



@DistributionFwd: "priced per duration or per demand—a solution to sell dvd extras/extended interviews/cutting room clips sold off your site #generate revenue & drive sales of your film

The Players



@DistributionFwd: metrics and analytics are key @sparkwi.se dashboard will change the way filmmakers can measure and engage with content.



@DistributionFwd: Grow audience @fanbridge.com inform and retain audience loyalty directly #innovative relationship management software.

Greg Rubidge, Syndicado

Distributors – are the companies that buy the rights to a movie and then market and sell it to theatres or retailers. They can distribute films through theatrical, home-video, or digital outlets.

Sales Agents – are the people who represent a film and a filmmaker's interests when selling to distributors. They will negotiate contracts and the conditions for the sale of the film.

Aggregators – are the companies that buy packages of content and sell them to the big platforms (e.g. Netflix, iTunes) that normally don't deal with individual artists. Often aggregators work with multiple platforms and take large revenue shares. There may also be separate charges for items such as marketing.

Larger distributors (e.g. Sony, Warner, Universal) currently all have digital business units within their companies. They distribute on all new platforms as a normal course of business when managing their significant pipeline of 'tier one' theatrically released or broadcast released content. That said, some larger companies will now take on third-party content and sell it through their digital channels, not unlike how this was once done in the home video market.

Other companies were formed to distribute, or have a core focus on distributing, through new platforms. Examples of such companies are Gravitas and cable VOD, while Snag Films has a similar business model made unique by the fact that it is focused on ad-support.

Encoders – each platform has specific format requirements for its site and many have preferred encoders who they work with to ensure that there are no technical problems with playback.

Fulfillment Houses/ DVD Production Houses – are the companies that provide the service of storing, receiving the orders, packaging, and then shipping the ordered item, normally a DVD or Blu-ray, to the end consumer. Unlike individual artist management, these houses usually have the technology and human resources to manage bulk delivery, printing and packaging, manufacturing, retail or web-based distribution or pick, pack and ship fulfillment.

The Strategy

Greg Rubidge, Syndicado

Digital platforms represent a great opportunity to reach new audiences around the world, raise a filmmaker's profile and, of course, generate more money for your title. But the latter point is the subject of much debate, especially in the case of overly enthusiastic seminar planners or consultants with the magic digital 'solution'.

In our current, pressed-for-time environment, it's more important than ever to focus and delegate. Is your time better spent filling out another broadcast or grant proposal for your next project, or trying to distribute your completed project in other markets? The answer may be somewhere in between, and will vary for each filmmaker.

In terms of what opportunities are available, it will mostly depend on how well your film has done and the exposure it's had in the market. If your title is picked up at a major film festival, your distributor will most likely be the one taking digital rights as well as - either direct, or through a partner - launching your film on the major digital retail outlets, such as iTunes, Amazon, Netflix, xBox, vudu, InDemand and others.

These rights will also be included in any minimum guarantee or upfront fee the distributor pays to secure your film across theatrical, broadcast, educational and other platforms. It is possible to break out of digital rights and it can be a major negotiation point when dealing with a distributor.

A few key questions to ask as part of the negotiation are:

- What platforms/digital retailers are they working with?
- What costs are involved?
- What is the revenue share?
- How are digital revenues included in the overall deal you have with the distributor?

If your film hasn't been picked up by a major film distributor or your TV distributor hasn't sold it to any foreign broadcasters, then digital platforms are a great way to get it out there.

Some platforms, such as Amazon, allow content creators to upload and sell their films and TV shows (as well as books and music) directly to the consumer. They may have a higher revenue share portion since they are not dealing with an aggregator, but it's a great way to start selling your title online. At the moment though, digital sales on Amazon are limited to a few territories. On Amazon a filmmaker can sell DVDs on demand or digital downloads on demand, in addition to a rental, VOD option.

For other opportunities, such as iTunes, vudu, Microsoft xBox, InDemand, Sony Playstation and Netflix, a third party digital aggregator or distributor will most likely be required to launch through these providers. The reason is quite simply that they are not set up to handle so many content agreements with individual filmmakers, and therefore must rely on aggregators (e.g. digital distributors) or their existing studio partners to handle independent film deals and include those titles in the distributor's overall offering. So yes, in a short period of time, digital has evolved similar to the DVD market, which has several layers to go through before a DVD is on the shelf and available for retail purchase.

It's important to know that, even if going through an aggregator, 'carriage' is not a guarantee. Most of the major digital retailers have their own content curation strategy and look to build out certain genres or titles over others.



@DistributionFwd: #Distribution Coalition DISCO @<http://www.vodonet.net> directly forged deals with P2P sites to promote your film "in front of millions of potential downloaders—and sponsors" #exposure equals revenue

The Deals

Greg Rubidge, Syndicado

The big question in digital remains, how much am I going to make from the sale or rental of my film?

The four main models for digital are not unlike 'traditional' models:

- License fee (e.g. Netflix)
- A sale, like home video, but digital, also known as Electronic Sell Through (EST)
- A rental (e.g. cable VOD rental; use for a set period of time)
- Free (e.g. advertising supported)

How much you'll end up with depends on your deal with the distributor and the distributor's deal with the digital retailer. A high-level benchmark is 50 per cent.

For example: A \$4.00 rental will bring in \$2.00 for the content provider (distributor) and \$2.00 for the digital retailer. From the \$2 that flows back to the distributor they will apply their distribution fee, which will range based on your overall deal (and what other expenses are covered, incurred), similar to the traditional model. If your deal with the distributor is 60/40 revenue share (filmmaker/distributor), then you'd receive \$1.20 for every rental, assuming no other expenses are being deducted from revenue. If you sold your film as a digital download for \$20, your distributor would get \$10, and after your split, you'd see \$6. This is approximately 30% of the retail price, which is considerably higher than what filmmakers were seeing from retail DVD sales.

Some online services such as Netflix will pay a flat fee for use of your film, with generally unlimited viewing, during the term. This will be a negotiation and your distributor should present any offers to you before agreeing to launch on this platform, especially for new releases.

In an ad-supported model the split between your distributor and the digital retailer could be the same (50/50), but you're only paid for ad revenue generated by views.

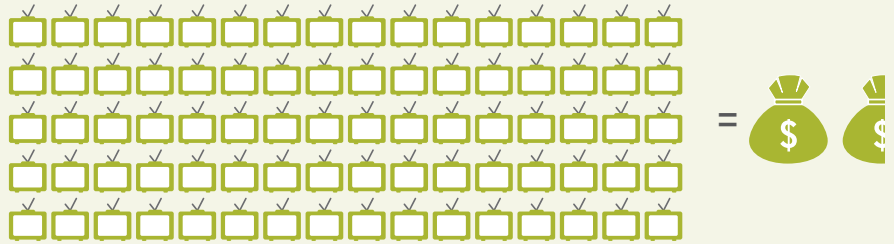
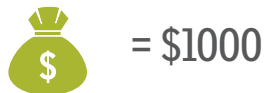
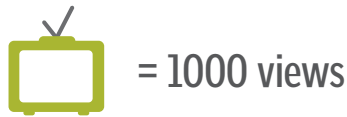
This is based on the industry model of Cost Per Thousand (CPMs), or how much an advertising company is willing to pay per 1000 impressions or views. In the print world if a paper has a run of 100,000 and CPM for an ad is \$10, then the cost of an ad would be \$10 x 100 (or 100 thousands). Here is an example to see what you'd make based on online views.

Assume the CPM rate on a particular video site that plays your video is \$20 (or \$20 for every 1000 views).

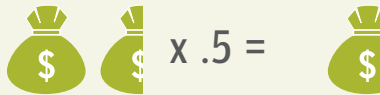
Assume your video is watched 80,000 times over the course of three months.

Your payment for the quarter would be as follows:

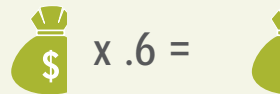
1. 80 (number of views, in thousands) \times $\$20$ (CPM) = $\$1600$ Gross Ad Sales



2. After split with the video exhibitor (assume 50/50) = $\$800$



3. After your revenue share with your distributor (assume 60/40) = $\$480$



The two key variables here will be the number of views and the CPM rate. If the particular video exhibitor is getting \$50 CPM it would mean a return of \$1200 for the same period for the same number of views.

If your video was viewed 400,000 times during the quarter, your return would be \$2400 (400 (number of thousand views) \times $\$20$ (the CPM) \times 50% (rev share between your distributor and the video exhibitor) \times 60% (your rev share with your distributor)). Other web-based advertising models could be based on a cost per click, or the fee an advertising company pays every time someone clicks on a video ad they're watching. Watch some videos on YouTube and when there is an ad in the lower 1/3 of the frame and you click on it, the owner of the video (or YouTube) just made 'X', as an advertising company on the other side of the transaction agreed to pay 'X' for every click.

The most common question asked about digital opportunities is, how much will I make?

The answer isn't much different than a theatrical release – no one knows! Major motion pictures can still bomb, but for digital the costs to distribute are relatively low and more accessible than a theatrical release, and at least your title is available to be sold, or watched. Respectively, it may be a while before a film will gross what Avatar did theatrically, on digital platforms solely. Like all aspects of the film industry, there is a learning curve and experience can best shape expectations and comfort in this new medium moving forward.

To develop targets on what you could make is quite simple. If you know through the various revenue splits in the value chain that you'll net \$1.20 a rental (assuming a VOD price of \$4) or \$6 on a sale (assuming a retail price of \$20), then you can build your model from there: how much you can expect from 1000 sales and 500 rentals, over a year, three years, five years, trailing off of course, until your title joins the 'long tail.' You can then look at advertising strategies for your film using Google, Facebook or your own website and link to where visitors can download or watch your film.

The strategy you adopt really depends on what you as a producer or filmmaker want to focus on as your business or career. The story of the producer-turned-distributor because they weren't happy with their existing distributor is not a novel one. With digital, it's a little more onerous with far more uncertain returns – it's not as easy as booking MIP or help bring on foreign distributors or broadcasters. A key question to ask yourself is, where do you want to focus your time and energy? Is your next development deal, funded through the Canadian media funding engine, a better return than time spent figuring out who to call at Microsoft to get your film on Xbox?

“When taking on digital, we found that beyond posting our trailer on free websites, access to the major e-tailers was a challenge as independent filmmakers. We also weren't too familiar with costs or the major players outside of Canada, so we partnered with a company to focus on digital distribution opportunities for us. We still kept control of rights and still sell our own DVDs from our website. Our real focus is on development and production, so we don't have as much time to devote to DIY distribution.” Adam Gray, Paradocs TV

One strategy would be to focus a website or Facebook fan page to drive awareness of your title, or subject matter, across all the platforms on which it is available. This would mean partnering with a distributor or aggregator to get on to these platforms, but as the subject matter expert focus your efforts on marketing your title through your own site or social media initiatives. One easy form of distribution is through Amazon, where you can upload a digital file and offer DVDs on demand from your website. Use YouTube or Vimeo to host your trailer and drive traffic to your site, where if people want to buy the film they can through the links you put on your page (e.g. buy here or watch here on iTunes, vudu, Xbox, Rogers).



@DistributionFwd: @distribber.com

Filmmakers sell directly on major online platforms # not your typical middleman

The Strategy

Jon Reiss, JonReiss.com

Creating a Hybrid Relationship with a Distributor

When I partnered with Docurama/New Video, it did not mean I handed over my video master, sat back, and waited for the cheque. Any filmmaker who does so may be unpleasantly surprised when that cheque does arrive. What I did do was create a hybrid relationship with Docurama/New Video that allowed me to sell the DVD on my own from my website and to create the infrastructure and materials I needed to sell my DVD worldwide. I also coordinated all of my marketing with the DVD distributor and tailored my theatrical release to coincide with the DVD street date.

In order to proceed with such a strategy yourself, you need to integrate DVD sales into your overall release plan.

Setting Up Your Fulfillment Company

When you are selling DVDs from your website, rarely are you actually selling them from your own website. Nor are you shipping them out of your garage, putting on the stamps and walking them to the post office. You're doing enough already by releasing your own film without having to then deal with customer service and returns.

The sane alternative is to find a fulfillment company to do this work for you. A fulfillment company takes a percentage, but it is worth it. If you look on the web, you will find a number of different types of fulfillment houses. Most of them are set up for big-volume customers. These larger houses don't set up your sales website (you still need to hire someone to do that). They often don't have customer service or credit card billing integrated (you will need to find that as well, or if they have it, you pay extra for that). These large houses will usually have a monthly minimum charge and don't make financial sense unless you plan to move tens of thousands of units (in which case, you are probably doing porn and don't really need this guide).

There are, however, other filmmaker-friendly options that provide off-the-shelf web stores where you can customize the look and feel of your store and plug in your merchandise. They handle customer service, billing, and fulfillment, and provide an accounting and cheque every month — all for the modest sum of 15 to 20 per cent. Another option would be to use a shopping cart such as Topspin or E-junkie and link it with a fulfillment house that doesn't handle the shopping cart.



@DistributionFwd: New toolset for engaging audiences to find and buy your film @distrify.com #selling movies socially

Protecting Educational Sales with a Simultaneous Home Video Release

One caveat to selling your DVDs from your website as soon as possible: You need to decide how to protect your educational sales, if such sales are an issue for you.

Here are some ways to reduce the bleed of your home-use-only DVD into the educational market:

- Create an enhanced honour system. Declare on your web store and on the DVD packaging that the DVD is licensed for home use only. Offer educational versions and/or educational licenses on your website (see bombitstore.com for an example).
- Prevent the DVD from being played from the beginning without a warning stating that the version is for home use only and no public or educational screenings are permitted.
- Offer a special educational instructional disc when schools or institutions buy the film from you. Although this will not convince educational distributors to take you on after your home video release, it may convince some to buy it from you instead of from Amazon.

In sum, it is relatively easy to set up your own web store to handle your DVD sales through a fulfillment house. It's something every independent filmmaker should consider for their film, whether they have a distributor or not.



@DistributionFwd: Fulfilment made
easy with direct and independent
publishing @createspace.com
#diydvd

The Strategy

Melanie Miller, Gravitas Ventures

Windows in Digital Distribution

Are you planning to construct a DIY and/or hybrid distribution strategy for your film? If so, these strategies allow you the ability to retain control of your film's rights and negotiate with a variety of distribution companies that represent and specialize in the various "release windows." Release windows (aka "windows") is the term used to describe periods of time a certain type of media is allowed to screen your film. Traditionally, a feature film is first released in theatres, then on DVD and pay-per-view/video-on-demand (VOD), and finally on broadcast TV. As the landscape of traditional distribution is changing, so are the windows. If you keep windowing foremost in mind, this will help ensure that you monetize your film to the best of your ability.



@DistributionFwd: my film is slightly longer than 3 minutes but still short: a mini guide for short films < <http://filmfwd.com/2011/12/short-circuit-short-film-digital-distribution/>>

If a limited theatrical release via a theatrical distribution service and/or consulting company such as Variance Films is possible, then it is best to explore this option several months in advance of when you want to release the film for DVD/VOD. A service theatrical distribution and consulting company can bridge the gap between DIY/self-distribution and traditional theatrical distribution. It will take time to find the right partner, as well as to secure theatres. Based on a fee, which will vary depending on company and services provided, your film will have an opportunity to receive a limited theatrical release and secure box office numbers. This will in turn affect the potential sale of the film to a home entertainment DVD distribution company and/or licensing opportunities with a video-on-demand (VOD) specialist.

Following the theatrical window is the home entertainment window, which includes DVD, pay-per-view/cable video-on-demand (VOD), internet VOD, subscription VOD (SVOD) and ad-supported VOD (AVOD). The "devil is in the details" within the VOD space, and in order to maximize your financial return, you need to understand that there are windows within this window.

It has become industry standard to release a film 'day and date', meaning releasing simultaneously on DVD and within the transactional VOD space. Transactional VOD allows a user to select and view a film for a rental fee, based on the provider's price point and definition selected. Transactional VOD encompasses the following:

- Cable (e.g. Comcast, Time Warner, Rogers, Cogeco)
- Satellite (e.g. DirecTV VOD, EchoStar IPVOD)
- Telco (e.g. AT&T, Verizon)
- Internet (e.g. Amazon VOD, Apple iTunes, Blockbuster VOD, Vudu)

Your transactional VOD window will run from 60 days to six months within the cable/satellite/telco VOD space and for the deal term of your internet VOD. Keep in mind that you will need to provide transactional VOD for at least a six-month window before you can go into your Broadcast window.

While your film will remain within the transactional internet VOD space for the life of the deal term, you will want to get your film within the subscription VOD space next. Subscription VOD is a service that allows its subscribers the opportunity to view what is available within their library. Examples of subscription VOD are Netflix Watch Instantly, Amazon Prime and Hulu Plus, to name a few of many.

The SVOD service provider will offer a license fee to the underlying producer and/or licensor of the film, in order to make it available to their subscribers. This is how the film earns money within the subscription VOD window as there is no transaction with the viewer. But note that there are certain holdbacks on when a film can be made available within the subscription window. As a rule of thumb, you should allow at least 90 days for transactional VOD before you have your film available within the Subscription VOD window.

The next window within the home entertainment window is ad-supported VOD (AVOD). Ad-supported VOD allows the viewer to watch your film at no charge, but ad breaks are interspersed throughout the film. Hulu would be the prime example of ad-supported VOD. Monies made are determined by the AVOD service's ability to sell advertising during a given period of time. The model is quickly evolving and advertising dollars are following cord-cutting or cord-shaving customers as they flock to less expensive ways to consume the same content they used to find on cable. For instance, if an AVOD service knows that customer viewership is high over a particular holiday weekend, they will be able to sell advertising space at a premium. Consequently, filmmakers who take advantage of select AVOD platforms reap a percentage of the advertising revenues, based on the number of views for their particular title and the ability of the AVOD ad sales team to command a high price for the views recorded for that content. That said, the AVOD model is rapidly becoming a wonderful source of ancillary revenue.

Once you've navigated the VOD waters for your film, you will want to continue to pursue additional opportunities for your film within the next window, the broadcast TV window.



@DistributionFwd: @eggup.com
distribute securely across multiple
platforms

The Strategy

Robin Smith, KinoSmith

Distribution or Self-Distribution?

So you've just completed your feature-length documentary and you want to investigate whether it's best to sell your film rights off to a distributor and/or broadcaster, or perhaps hold on to your film and look into distributing it yourself. Both can potentially be viable options, but each comes with its own set of pros and cons that can be dramatically different depending on your film and your goals and expectations.

All filmmakers should identify the key elements of their film and the current marketplace before choosing which route is best for them and their film.

How does your film fit into the current marketplace?

The first thing you need to do is define the key target audience for your film. Knowing who these individuals or groups are will help you decide how far and wide your film's appeal, release and, ultimately, its success will reach.

How would you position your film in today's current marketplace?

Essentially, this is finding comparable films that are similar in content, size and scope to your own film, and then investigating how these films were released and how well they did in various media.

Without addressing these two questions, your release, whether a traditional or hybrid, will not work.

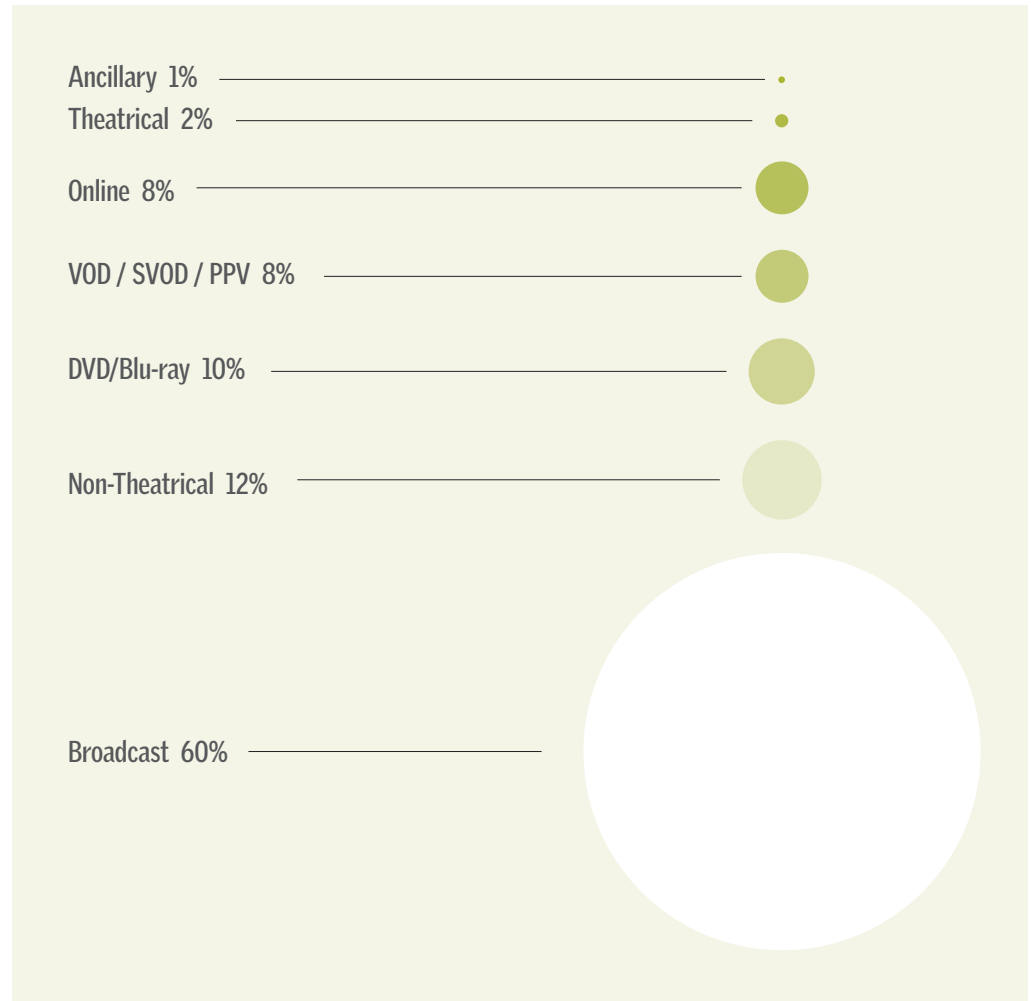
Once these basic questions have been addressed, the next step is to establish the types of rights you have for your film and how these rights fit into the current Canadian marketplace. This may seem obvious, but often documentaries made in Canada have a pre-license from a Canadian broadcaster attached, which often precludes these broadcast rights from any potential deals. Although each contract or agreement will define film rights in their own language, in essence, the basic media rights for all films are:

- Theatrical
- DVD/Blu-ray
- Broadcast (including pay-per-view, conventional TV and digital TV)
- VOD / SVOD / PPV
- Online
- Non-theatrical (including educational, airlines, etc.)
- Ancillary



@DistributionFwd: @site.dynamoplayer.com Player with a payment system built in

It's important to note where the majority of distribution revenue comes from for most Canadian documentaries. Here's an approximate breakdown of how lucrative (or not) each media is for Canadian films:



Knowing this breakdown, one has to now weigh how to properly exploit a film and identify where the maximum return can be secured. This can be a tough situation if broadcast rights are not available, since this is traditionally the most profitable media to exploit. It gets even trickier if a broadcaster also secures VOD and online rights as part of their license.

Many filmmakers have to bring aboard a broadcaster via a pre-license to help fund the development and production of their docs. Before committing, ensure you understand what rights you are including in these deals and what impact this may have on your film's release down the road. Many broadcasters are expanding their reach into digital services and the web, and are often looking for more than traditional broadcast rights. Licenses can now include VOD, SVOD, online, handheld and even DVD rights. All of these can add great exposure for your film come broadcast time, but understand what a cross-platform broadcast may mean to other release plans.

For example, broadcasters are frequently including online rights in their license, which are used to provide "catch-up" periods for viewers to watch the film online at no charge. But once a film lives online for free, whether it be a shorter version or a feature-length one, it is pretty much dead to exploit: you won't be able to get commercial DVD outlets to stock your film; you won't be able to release your film theatrically; you won't be able to sell it on iTunes; and, ultimately, you won't be able to generate any extra revenue.

Timing is also very important for your doc's release. Even with a pre-license from a broadcaster, you can still organize a proper release schedule for your film. Map out what media you wish to exploit and ideally when they'll get exploited. To do this properly, always keep in mind the traditional exclusivity windows sought by buyers. These are important considerations because holdbacks or windows have been put in place by businesses to help protect their exclusivity when playing/selling your film (i.e. it's all about maximizing profits). Here are the typical holdback or exclusivity windows needed in Canada for a traditional release:

- Theatrical: the film must open at least 90-110 days in advance of the film being exploited in another medium such as TV, DVD or online.
- DVD/Blu-ray: ideally should have a 30-day window prior to putting your film into VOD/PPV channels.
- Online: ideally should have a 30 day window from DVD/BluRay as well, but is now becoming day-and-date with DVD/BluRay
- Broadcast/Pay-TV: 18-month exclusive broadcast window that normally requires SVOD rights as part of the license(N.B. Netflix is categorized as a SVOD media and not online, so be careful when exploiting your film here if you also wish to acquire a pay-tv license since you won't be able to do both.
- Broadcast/Conventional: cannot overlap with pay-per-view

You may decide to mutate or shorten windows as part of your release, but be fully aware that every time you break a traditional exploitation window, you make it one step harder to sell your film in the marketplace. There have been a couple of examples of films that have successfully navigated these exploitation windows (the example I always hear from filmmakers is THE CORPORATION, which went on to generate a million dollars in box office after it aired on TVO), but these are anomalies, not the norm, and should never be sighted as positioning references.

So now that you've identified what rights you have and how you would ideally map out your ideal release, you need to decide on whether to have a distributor come aboard to fulfill your plan or whether to do it yourself. At this point, I think it's important to note what each of these routes consists of and how it may or may not work to your advantage.

Distributor

Why does someone need a distributor to release a film? There are many reasons, but let's start by defining what a film distributor is.

Essentially, a film distributor is a buyer and seller of film product. Traditionally, they are often referred to as "middle-men" who take fees for brokering sales. In some ways this is true, but a distributor often brings much more to the table than just sales. Distributors often have the most experience and expertise in navigating film product in the marketplace. Their contacts, relationships, and output deals are usually well entrenched, making soliciting, selling and delivering a film to an audience that much easier. Their advice is essential in calculating costs and building realistic strategies for releases. A distributor will carry the financial burden of the costs for a release, which sometimes can be surprisingly enormous. Some distributors will even provide financing for productions through advances and purchase of rights, which can fill gaps and help complete a film's budget.

Keep in mind that a distributor will become interested in your film almost exclusively based upon its perceived desirability, the risk they are willing to take to find its success, and a determination of how much that desired success compares to the time, money and effort needed to secure it. It is your job to help highlight how your film can fit into all of these areas for prospective buyers, but conversely, it may also be hard to find a buyer if a variety of media has already been bought or has been exploited.

In any case, if you choose to go with a distributor, make sure they can properly exploit your film in all the media you've mapped out as part of your ideal release. Every distributor is different, and each has their strengths and weaknesses. Knowing this, it's important that you find the right one to fit your needs. Look at their operations and gauge the following:

- Are there similar films in their catalogue that they've been successful at releasing, especially in the media you feel best fits your film?
- How many films do they have on their slate and where will your film fit into the pecking order? Remember, distributors will always focus more on films that they believe have the most profit potential.
- Which media have they had success exploiting? Remember, never give rights to a distributor (or anybody for that matter) that they cannot exploit.

There are many types of deals distributors will explore with filmmakers. Don't be afraid to consider non-traditional deals that may include splintered rights or third party P&A funding.

DIY (Self-Distribution)

Traditional distribution deals can be a strong option for your film's release, but if you decide to not go this route or cannot secure a deal, there are other options to get your film out to the masses.

Sometimes distributors or other agents agree to work within a "service deal" arrangement with filmmakers. Typically, there's not an exchange of film rights as part of these deals, but rather they can be described as "gun for hire" arrangements. In these cases, a distributor or agent would be hired by a filmmaker for a set fee (sometimes set against a percentage) to assist in the release of the film. The scope of the agent or distributor's work is up to you. They can be hired to look after the entire release, including theatrical and ancillaries, or just be hired to exploit one part.

Filmmakers can also choose to go at it alone and release their film themselves. This can often be an eye-opening experience for filmmakers, in both good and bad ways. Orchestrating a film's release requires attention to detail and a strong set of contacts. For these reasons, it is always recommended that filmmakers hire a release consultant who can advise on the plan and assist in the sales.

Historically, one of the biggest obstacles for filmmakers self-releasing or entering into service deals has been the money. Whichever one you opt for, you will need to find and front your own funding, and this can sometimes be a sizable amount. Luckily there are excellent P&A funding sources for filmmakers in Canada, such as the Alternative Distribution Fund at Telefilm. By presenting your film, its qualities, marketability, release plan and, ultimately, recoupment, filmmakers can qualify for government and private equity funds. Direct sponsorships and crowd-funding are other new ways to help fund a release.

Remember, it's very important to be realistic about your film's potential. Many strong films have disappeared from a marketplace due to unrealistic expectations and exaggerated goals.



@DistributionFwd: Mini-site platforms for indie filmmakers @filmdiy.com #full transparency is very cool.



@DistributionFwd: Platform for excellent content @hulu.com #not available in Canada...yet

The Strategy

Andrew Mer, Snag Films

Free Ad-Supported Streaming: a Dynamic Option for Key Titles

For over five years, I have looked to the end goal of free streaming as having searchable videos on the web and porting them to any flat screen, from a TV to a mobile device or beyond.

That day has now come as widgets and embeddable players allow for viewing of films across hundreds or thousands of affiliated sites and webpages worldwide, including for SnagFilms such partners as AOL, Comcast, Hulu, the Starbucks Digital Network, IMDb, and hundreds of non-profits, special interest sites and blogs, as well as via applications for the iPad and connected TV platforms Roku and Boxee.

Looked at as aggregate, there's truly becoming a free streaming network for independent film that's reaching hundreds of thousands of viewers, with each view being monetized at ever higher CPMs (costs per thousands).

Ad-supported free streaming can be an effective distribution method across any number of windows, depending upon a filmmakers' goals.

Many films - even some great ones - don't get meaningful traditional distribution, so sponsor-supported free streaming can be a great gateway for a film to enter the marketplace.

For social issue films, free streaming offers the most direct way for filmmakers and audiences to connect and converse in a meaningful way.

It also allows for the incorporation of innovative outreach programs and tools to reach niche and affiliate groups, especially in the non-profit and charitable spheres.

Free streaming offers the most direct way to leverage social media tools for immediate viewing.

Effective windowing of free streaming alongside more established distribution windows can elevate a film's success alongside all other windows.



@DistributionFwd: incredible 3 minutes long docs @cinelan.com #new way to access short-form work

The Example: From the Filmmaker's POV



[@DistributionFwd](#):@TFI reframe collection supports filmmakers, distributors and archives digitize and sell their work online with partnership with Createspace.

Felice Gorica, Gorica Productions

DIY: Not as Difficult as u Think

I've been a producer for over 15 years and I've tried two forms of distribution: the usual form through a distributor and the newest form, Do It Yourself (DIY).

Both have pros and cons, and it's up to each filmmaker to decide the route that's best for them.

At the start of my career, I followed the standard operating procedure by giving my finished film to a distributor to sell to international broadcasters, educational outlets and anyone else they could sell it to. This produced mixed results: while they did make sales, they didn't forward me the money. I continually had to harass the distributor to send me the proceeds even well after the funds were contractually due to be paid.

I have also found that distributors don't try that hard to sell your film. They put it in their catalogue and they may discuss it with a few potential clients, but they don't go out of their way to do anything special to sell your film.

Now this could be because your film is not that marketable. You have to be realistic about the sales potential of your film, and this could be best done by sending it to some distributors and asking what they think. Or, better yet, before you even make the film, send the description to distributors and ask their opinions on its sales potential. I cannot tell you how useful it is to get advance sales projections before you go through all the trouble of making a film that can't be sold.

Since I wasn't happy with the relationship with my distributor, I began to seek out other possibilities to sell my film. I discovered that you could buy email lists of potential buyers, both TV broadcasters and educational buyers, and approach them yourself. This is inexpensive and easy to do, and distributors often use the same tactic. So I tried it, and did it work! I made so many sales that I ended up becoming a glorified shipper-receiver. I had to ship so many video tapes and chase them down through customs that I could now apply for a job at FedEx.

So, while I made a lot of money, there were hassles involved in shipping, getting paid, and keeping track of accounting. If you are prepared to handle these types of administrative tasks, then I do recommend the DIY method.

How I now handle distribution is to sell the film myself for the first year. Once I have tried everything I can think of, I then assign the rights to a variety of distributors for another year. That way I have covered DIY and traditional distribution on both ends.

This is the most important information I can give you:

- Be realistic about the sales potential of your film; just because you think it's great, doesn't mean that it's highly marketable or has a large audience.
- I suggest you use a mixture of DIY and distributors, but in each case know that you will have to do some work and keep on top of sales.
- Before signing with any distributor, make sure to get at least three referrals from their current clients. Do this by looking at their catalogue and writing to companies with films similar to your own. Be sure to ask if the distributor made them any money and if they had any trouble getting paid?
- Do not give all your rights to one distributor: split rights between distributors who specialize in each of the three areas of broadcast, educational and online.
- If you go the DIY route, purchase lists of TV broadcasters from www.mtgmedia.com and educational buyers from www.schooldata.com. There are cheaper places to buy lists, but these are two of the best.
- Be sure to sell your film on your own website. Research areas of "niche" sales where you may be able to sell the film yourself.

Undoubtedly it will be hard to sell your first few films and this may lead to disappointment; but the more you try the more you will begin to refine your technique.



@DistributionFwd: study the other industries: publishing, music, and wait for it...porn

<<http://adage.com/article/digitalnext/digital-storytelling-porn-paula-deen-teach/230964/>>

Janet Brown, Cinetic



@DistributionFwd: you want to make money on the web, keep on top of how it functions @comscore.com #read the blog and you are ahead of everyone else.

1. Educate yourself on all available digital distribution options, and how digital fits into other distribution options. Digital platforms are generating additional revenue for all film genres, but they are proving to be especially strong partners for documentaries. Digital distribution typically covers: rental on either broadband (e.g. iTunes) or cable (e.g. Rogers On Demand); sell-through (e.g. iTunes); subscription video-on-demand (e.g. Netflix); and free ad-supplied video-on-demand (e.g. Hulu). If you sign an "all rights" deal whereby you sell all rights to your film to one company, digital rights would be exploited, to varying degrees, by that company. If you sign a deal with a TV broadcaster or DVD company, some or all digital rights may be included in that deal. If you sign a deal with a digital-only company, you may be leaving money on the table in other media. Choose a distribution partner who can help you navigate these options, and ensure you maximize your audience and revenue across all of them.
2. Match your budget to your realistic sense of the market potential for your film. A close match offers you greater flexibility as you consider your distribution options. Here are two contrasting examples of how you could unintentionally limit your flexibility. First, you could have overspent on a film that has limited market appeal. In an effort to recoup your budget, you might choose to "wait it out" for a large minimum guarantee offer to come in. If that offer doesn't come in, your waiting time may have eroded some value from your film in general. Second, you could have had such a lean budget that the story and/or production values were compromised. Having a great film – brought in on a reasonable budget—offers you the opportunity to be as innovative and creative in the distribution of your film as you were in the production of it.
3. Capture extras, stills, outtakes, interviews with key talent, and anything else you can. It has long been a film industry truism that you need to think about marketing assets early on in the production process. It is more relevant than ever in the digital space. All of these materials will be greatly appreciated by your distribution partner, as they can be used not only for marketing, but also for promotion and merchandising in conjunction with online retailers.
4. Be social. The same forces that have made digital distribution a viable option have created the social network we all live in. That network has made you, the filmmaker, the greatest marketing partner in the world. At FilmBuff, we look to work with filmmakers who embrace the digital model, and will work with them to ensure that their social networks, as well as those of other key players, are all fully utilized in the film's release strategy.
5. Ask questions. Digital distribution presents a unique set of advantages: It offers the most efficient way to maximize your potential audience; it presents the potential for a direct link from a Facebook or blog post to an opportunity for someone to rent or buy online; and it provides something that has evaded filmmakers until now - transparency. Your distribution partner should be able to tell you how many times your film was rented or purchased, from where, and when. They should be able to clearly account for expenses, and tell you what placement and marketing your film will have. Effective digital distribution isn't a mystery. It is, however, as much an art as a science. Keep an open dialogue with your distribution partner so that you each understand what the other is doing, and can work together to maximize revenue for your film.

Digital distribution has the power and potential to give control back to filmmakers. Be ready to maximize that potential!

The Resources

- thinkoutsidetheboxoffice.com/about.html
- sellingyourfilm.com/
- thefilmcollaborative.org/
- jonreiss.com
- peterbroderick.com
- scoop.it/t/indie-diy-distribution-daily-news

Some Fulfilment Houses:

- Avmore <<http://www.avmore.com/>>
- Duplium <<http://www.duplium.com/>>
- FirebrandInc. <<http://www.firebrandinc.com/>>
- RBMediaServices <<http://www.rbmediaservices.com/>>

Some Encoding Houses:

- 2G Digital <<http://www.2gdigital.com/>>
- Juice <<http://www.juiceproductionsinc.com/multiplatform.php>>
- Modern Video Film <<http://www.mvfinc.com/>>
- Radius 60 <<http://www.radius60.com/>>

Some Aggregators:

- bitMAX (also encoders) <<http://www.bitmax.net/>>
- Brainstorm Media < <http://www.brainmedia.net/home.php> >
- Cinetic Rights Management < <http://www.cineticmedia.com/> >
- Distribber < <http://www.distribber.com/> >
- E1 < <http://www.entertainmentonegroup.com/> >
- Gravitas Ventures < <http://www.gravitasventures.com/> >
- Inception (also encoder) < <http://www.inceptionmediagroup.com/ids/index.htm> >
- Indieflix < <http://indieflix.com/> >
- IODA < <http://www.iodalliance.com/> >
- Lionsgate < <http://www.lionsgate.com/> >
- Might Entertainment < <http://might-ent.com/> >
- New Video < <http://www.newvideo.com/> >
- Premier Digital (also encoders) < <http://premierdigital.net/> >
- Present Pictures (educational) < <http://www.presentpictures.net/> >
- Snag Films < <http://www.snagfilms.com/> >
- Syndicado < <http://syndicado.com/> >
- The Cinema Guild (educational) < <http://www.cinemaguild.com/> >
- The Orchard < <http://www.theorchard.com/> >

Some Platforms:

- Amazon Video < <http://www.amazon.ca/> >
- Cinema Now <<http://canada.cinemanow.com/>>
- Hulu < <http://www.hulu.com/> >
- iTunes < <http://www.apple.com/itunes/> >
- Mubi < <http://mubi.com/> >
- Netflix <<http://www.netflix.com/>>
- PS3 < <http://www.playstation.ca/>>
- Snag Films < <http://www.snagfilms.com/> >
- Vodo < <http://vodo.net/> >
- Vudu < <http://www.vudu.com/> >
- Vuze < <http://www.vuze.com/> >
- Xbox360 < <http://www.xbox.com/en-US/> >
- Youtube < <http://www.youtube.com/> >

THANK YOU

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