Over-the-top (OTT) services

National Film Board of Canada
November 16, 2011
Outline

✓ Impact of OTT services on the Canadian broadcasting system (current trends, and outlook)

✓ Lessons learned from NFB’s response to a changing environment

✓ New opportunities for Canadians: a National Screening Room
Current environment

- TV will continue to dominate the media landscape (increase this year in: hours of television, TV advertising, TV audience)
- The substitution of traditional broadcast services in Canada by OTT programming services appears, so far, to be happening very slowly.
- Netflix’s revenues—although it has seen its audience grow quickly—represent approximately 1% of total revenues.
- This picture, however, could change rapidly...
Online video consumption in Canada

Online Video Reach / Web Population

- Canada
- UK
- Germany
- France
- USA

Values: 76, 78, 80, 82, 84, 86, 88, 90
An Ever Growing Appetite

37% increase in video views, from September 2010 - March 2011
A change is imminent

- Social networks are likely to surpass the milestone of one billion unique members in 2011 and deliver over two trillion advertisements.

- 61% of Canadians prefer to flip on the TV and view them live, but there’s a clear generation gap.

- Sales of Connected TVs have increased 38 percent compared to the same time period last year, and now make up nearly 12 percent of all flat-panel sales.
The Online video landscape
It seems likely that OTT will have a negative impact on:

- the revenue growth of broadcasting programming services
- on the acquisition and exhibition of Canadian programming
- on subscriptions to BDU (broadcasting distribution undertakings)
A regulatory response to existing OTT services may be necessary to some extent, but should not have as an unintended consequence the erection of strong barriers that create disincentives for innovation.

We must:

- Encourage innovation to strengthen and benefit the Canadian broadcast system
- Respond rapidly to the ongoing disruption of technological change.
Lessons learned
NFB’s digital presence

✓ Over 14 million films viewed to date
✓ Another 13 million plus views on partner sites
✓ Education +: a dedicated offering to teachers
✓ Quality online educational resources to 4 millions Canadian students
NFB Mobile Apps

- Building brand value for Canadian content
Partnering in the Digital Space
NFB Interactive

• An evolving collection of innovative, interactive stories exploring the world – and our place in it – from uniquely Canadian points of view.
Joining Forces

A National Screening Room

There is room to create an alternative Canadian OTT service that would not compete with the existing commercial sector but provide unique opportunities for the Canadian private production industry and for Canadians.
National Screening Room

• A private-sector Canadian OTT service
• An alternative choice to foreign OTT services
• A multiplatform infrastructure for the distribution of Canadian films and TV
• 100% Canadian content
• A completely bilingual and fully integrated user interface
• A non-exclusive platform where producers will decide what they want to put up
• An affordable transactional platform that offers download-to-own, VOD and Subscription VOD
Triple Play Access
A Personalized Experience

The social internet
Thank you

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