

TECHNOLOGY WATCH REPORT

CÍRCULO DE INNOVACIÓN EN TECNOLOGÍAS DE LA INFORMACIÓN Y LAS COMUNICACIONES



AUDIOVISUAL CONTENTS PRODUCTION

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Executive summary

A revolution is taking place in the world of AV (AudioVisual) contents. Several phenomena are changing the contents sector value structure and the way users perceive them. A first technology watch report elaborated for eNEM, the Spanish chapter of the European Technology Platform on NEM (Networked and Electronic Media), already contained a study on contents exploitation¹, which concluded that “multimedia contents have become the key ingredient of an enormous amount of solutions that different players offer users according to their great appeal”. Of course, the report stressed that this is a key market for Spain and, from an opportunity viewpoint, it was said that “it is also an incipient market requiring many technological developments to transfer and adapt contents appeal to user expectations”.

In this new report, a number of topics have been selected to describe some central elements around which there exist significant opportunities, both mid- and long-term, and both for technology and business. In order to do so, the scope of the AV contents production is first delimited, as well as the ICT (Information and Communication Technologies) impact on it. Then forty identified opportunities are grouped into the eight main areas proposed in the report. This description is topped with an integrating vision of the opportunities aiming at providing a “map” of relationships. In section **¡Error! No se encuentra el origen de la referencia.** some proposals and recommendations are made. Finally, the appendix includes a study on patents related to the “web 2.0” revolution in the AV contents context.

Conceptually, contents go through three stages in their value structure: a) creation-production; b) publication-distribution-access; and c) usage-consumption-interaction. Within this scheme, the creation-production phase refers to the artistic and technical activities yielding a concrete work as a result of human creativity. The contents creation and production has been, so far, ruled by the agents of the traditional contents industry, which was just in certain maturity degree. However, the ICT impact is redefining this sector and its rules.

The contents sector spans many different activities, both traditional and emerging. In the more traditional sense, it is reasonable to consider the audio contents coming from the phonographic industry and the radio, the AV contents produced by the cinema and the TV (TeleVision) and, arguably, the videogames. To those subsectors must be added another two, in order to draw a complete picture: the one of printing/publishing (including its digital counterpart: on-line newspapers and magazines, e-books, etc.) and

¹ Federico Álvarez, Claudio Feijoo y Francisco Morán: “Multimedia Contents Exploitation”, technology watch report, CITIC, april 2007 (ISBN-13: 978-84-611-6460-8)

the one of “cultural spaces” such as museums, libraries, etc. (including as well their digital versions). But more actors have recently come into play in this apparently stable scenario: the users themselves, with their double role of producers and consumers (hence the modern buzzword “prosumers”) in the digital media. Together with the users, new agents have appeared (application, software and hardware providers, infrastructure and service operators, etc.), so the value relationships are being modified in the contents world.

Of all these kinds of contents, this report will focus on the AV ones coming from the traditional world and the emerging digital world. An enlarged meaning of “audiovisual” will be adopted, in order to accommodate interactive and non-traditional contents, and the participation of users in the new types of contents.

Traditional AV contents can be categorized into two groups: AV work which includes cinematographic work, TV Series, documentaries, cartoons, musical concerts and theatre plays, and in the other hand the AV "recordings", where there can be found the rest of content, such as sports, news, quiz shows, varieties, and so on, that can be generically called as "TV programs".

While, at a first glance, AV films and TV/video works seem to have similar production processes, in fact, they are very different and, in general, both production and distribution processes are cheaper and faster when working in video productions. This means that, for the future, the trend is to shoot in high definition video. In any case the first step in an AV work creation (eg, a movie) implies production company being responsible for coordinating the activities of various production factors, both human and material, in the creation process of the project. This process is far more complex than the audio-exclusively content. In this regard, the role of producer is much more significant as an agent capable of converge all the elements necessary for the creation of such AV works. So, is responsible for guiding and organizing production processes: looking for ideas, scripts, directors, etc. In addition, it takes a great part in film promotion and financing tasks, which implies investing risk assumption in the first instance. Therefore, he has always own the commercial exploitation rights of the work, which afterwards yields to the rest of stakeholders of the exploitation/consumption value chain.

Regarding the production process of the so called TV programs, the pattern is similar. With the digital technology appearance, it is possible to introduce features/effects impossible some time ago. This enhances the work to be performed in electronic form on the various video signals previously taken, so that the owner can introduce digital effects, use virtual decorations, mix reality with images produced digitally, and do all kinds of content editing options both in audio or in video, so that, often, this post-production process is a very significant part of production, both in time and cost.

There are also large differences in production processes, depending on whether they must take place in real time or not. Sports and cultural entertainments, or news programs, are among the first group. Movies, TV series, documentaries, cartoons, quiz shows, game shows, musical events and theatre plays would be considered in the

second one. Many of these recorded productions turn into a set of available programs that can be display at any time. On the other hand, live productions lose their value if they are not displayed immediately. The production of these live programs is usually performed out of the production company headquarters and, therefore, broadcast media play an important role.

In the content creation stage, the use of technologies such as digital cameras, video editing tools supported by computers, and computer image generation software, have significantly reduced recording and editing costs, as well as create additional artistic possibilities.

In addition to this, somehow, the emergence of new digital media for AV contents distribution has had an impact on the creation and production of these ones. Because of that, barriers to the contents publication are less important, the power of the production companies versus the studios has increased and a sort of 'test environment' has been created where it is easier to know the users/consumers preferences. As a result of all of that, a huge amount of contents, including independent and minority-targeted ones, and a wider range of options for users are now available.

Finally, regarding user interaction, the increasing Internet penetration has enabled the creation of virtual communities and social networks that manage successful AV contents, getting in touch with producers and becoming marketing key factors. At the same time, users are increasingly getting more involved in the creation phase. The business model and the legal issues regarding this interaction have not been completely taken into consideration yet.