THE EDISON PROJECT

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Lead Authors:
Erin Reilly, Jonathan Taplin, Francesca Marie Smith, Geoffrey Long, Henry Jenkins

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USC Annenberg Innovation Lab

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The Annenberg Innovation Lab is a high-energy, fast-paced Think & Do Tank in the Annenberg School of Communication and Journalism at the University of Southern California. We define innovation as a social, collaborative process involving artists, scientists, humanists and industry professionals working together on new problems and opportunities raised by technological and cultural change. Our mission is to foster real-world innovation at the dynamic intersection of media and culture.

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INTRODUCTION

Thomas Edison invented both the phonograph and the kinetoscope more than 100 years ago. But the business of distributing music and movies hasn't really changed that much in 100 years. In the fall of 2012 the Annenberg Innovation Lab asked the question: "Could it be that the current production and distribution system are simply not capturing the possibilities of the digital revolution? What would a system look like if we started from scratch like Edison?"

Thus The Edison Project.

As part of the Edison Project, the Lab:

- Facilitated Think + Do Workshops, to deliver research insights and offer playful learning experiences to ideate the future as a community
- Created prototypes that demonstrated the real-world applicability of our theories, and
- Shared our learnings through diverse media to advance the understandings around society, media, and culture

Through the Edison Project, the Lab posits a transition from an Information Economy to an Imagination Economy, creating a vision for a new media and entertainment ecosystem and working with a range of strategic partners to accelerate its arrival by turning what most perceive as signposts of disaster into signposts of opportunity.

This shift from an information economy to an imagination economy may represent the beginning of a new global boom:

1. the rise of ubiquitous, natural, and affordable technology,
2. the rise of participatory culture and the new maker movement,
3. the rise of a global broadband distribution platform, and
4. the rise of a rapidly growing global middle class

These are all converging to reshape the media and entertainment industries and quite possibly every other industry as well. Though our focus for this research has been on the Media and Entertainment Industry, we see similar shifts happening in other domains, such as journalism, publishing, and education, and our hope is that we offer some insights and recommendations that can be applied more widely.

What Is an Imagination Economy?

John Seely Brown, the former director of Xerox's Palo Alto Research Center (PARC) who currently serves as a member of AIL's advisory board, has discussed the concept of the imagination economy in this way:

> We are in an era of networks, sensors, smart matter, transmedia, Uber, Kickstarter, and Airbnb. It seems fair to say the world we are living in is advancing at exponential speed, which as a result is challenging the status quo.
>
> This new era is one of creating contexts and experiences rather than producing the same thing over and over for mass consumption. But

> an important question is, "What is the purpose of building these contexts?" Perhaps to enhance emotional connections, serendipitous encounters, epiphanies and "aha!" moments in our everyday lives. . . .
>
> We have entered into a world of what-if and why-not. In some sense, if you can imagine it, why can't you do it? Our digital tools and networks are more democratized than ever before and present incredible possibilities. In this networked society, we are more limited by our imaginations than by our resources.
>
> Welcome to the imagination age—where everything from food to fashion to housing to the arts can be seen through the lens of what-if. We now have 3D printing, the internet of things, and radical new ways to construct green buildings. Cars not only roll from point A to point B, but are being thought of as computational platforms. There is so much more to come in this networked world, if only we let our imagination take us places we couldn't go before.[1]

Simply put, if an information economy is powered primarily by the exchange and valuation of information, then an imagination economy is powered primarily by the exchange and valuation of imagination. The Edison Project explores a world wherein technology makes it easier to do or make virtually anything, and its findings reflect a simple truth: when the ability to execute is no longer scarce, then we instead begin to value (and monetize) *imagination*, and the creativity with which new ideas are generated, implemented, and translated into sustainable business models.

Why Now?

The media and entertainment business is in turmoil. Revenues are struggling to outpace inflation, production and marketing costs are skyrocketing, the Hollywood blockbuster model is collapsing, and broadcast TV is dying as ad revenues drop and viewers, brands, and entire channels shift to over-the-top models; in short, everything from news to games to music to publishing is in the midst of massive change. However, what most perceive as signposts of disaster can in fact be interpreted as signposts of opportunity. This shift from an information economy to an imagination economy may represent the beginning of a new global boom: the rise of ubiquitous, natural, and affordable technology, the rise of participatory culture and the new maker movement, the rise of a global broadband distribution platform, and the rise of a rapidly growing global middle class are all converging to reshape the media and entertainment industries—and quite possibly every other industry as well. Thus, the Edison Project was designed to explore how industry leaders, creative professionals, and all others looking to flourish in this emerging imagination economy might best orient themselves moving forward.

Mapping the Future: The Edison Project Trends

What follows is a summary of the work we've conducted over the three years of the Edison Project (from 2013 through 2015), based on four research pillars: *The New Metrics + Measurement*, *The New Funding + Business Models*, *The New Screens*, and *The New Creators + Makers*. Each of these pillars forms a core part of the media and entertainment industries' scaffolding, but they are also inextricably linked, continually informing and influencing one another. We begin in our first chapter by looking more closely at the ways audiences engage with media in this new era via novel metrics and measurement, which invites us to consider in the second chapter a range of possibilities for distribution and monetization. The third chapter shifts the conversation towards the technological promise of new screens and other devices, while our fourth chapter considers how new players in this imagination economy might take advantage of its opportunities to build strong, rewarding relationships with audiences. Our concluding chapter, written by Henry Jenkins (AIL's chief advisor and senior research fellow), synthesizes the insights laid out in the foregoing chapters in order to construct a vision of what the future, or different possible futures, might look like, offering a set of observations and provocations that might guide our thinking as we take individual and collective action to determine what sort of world we want to live in.

ACKNOWLEDGEMENTS

This book would not be possible without the support of the sponsors, board of advisors, research council, lead researchers, and supporting researchers and practitioners of the USC Annenberg Innovation Lab.

Sponsors: 20th Century Fox, Cisco Systems, Inc., DirecTV, EPB, Fox Broadcasting, Havas Media Group, Home Box Office, Inc., IBM, Spark 44, Verizon Foundation and Warner Bros. Entertainment.

Board of Advisors: Sarah Banet-Weiser, Willow Bay, John Seely Brown, Steve Canepa, Anuraj Goonetilleke, Henry Jenkins, Peter Marx, Thomas Middleton, Cory Ondrejka, Ernest Wilson, Irving Wladawsky-Berger.

Lead Researchers: Geoffrey Long, Erin Reilly, Francesca Marie Smith, and Jonathan Taplin.

Research Council: Sasha Anawalt, François Bar, Elizabeth Currid-Halkett, Robert Hernandez, Lian Jian, Gabriel Kahn, Seon Ho Kim, Matthew Le Veque, Anthony B. Maddox, Shrikanth (Shri) Narayanan, Susan Resnick West, Jose Sanchez, Cyrus Shahabi, Brian K. Shepard, Renée Smith-Maddox, Jen Stein, Bill Swartout, Burghardt Tenderich, and David Ulin.

Supporting Researchers & Practitioners: Tushar Aggarwal, Andrea Allano, Meryl Alper, Andrea Arellano, Danna Bailey, Jeff Balis, Anjuli Bedi, Jonathan Belisle, BC Heavy Biermann, Marc Bovee, Alec Boyle, Daniel Burwen, Althea Capra, Bella Cavallo, Jingrong Chen, Shangyi Cheng, Matthew Cheung, Chandrashekar Chimbili, Michelle Choi, Bessie Chu, Abraão Coelho, Lisa Crawford, Todd Cunningham, Jake de Grazia, Esin Demirci Can, Flint Dille, Carol Dixon, Austin Drexler, Benjamin Dunn, Jennifer Ellis, Katie Espeseth, Brooklyne Gipson, Hui Guo, Ken Hays, Fenni Huang, Jim Ingraham, Christine Jambazian, Eric Jung, Alisa Katz, Farhan Khwaja, Niveditha Kumar, Maria Leturia, Ruohan Li, Vanessa Li, Zhao Li, Malika Lim, Sophie Madej, Haley Madigan, Charles MaGovern, Aninoy Mahapatra, Peter Marx, Ritesh Mehta, Rachelle Meredith, Joan Miller, Juvenal Quiñones, Sachin Raja, Daisy Ramirez, Shane Reilly, Payam Rodd, Andrew Rodgers, Samantha Rothschild, Vincent Routhier, Anna Karina Samia, Avi Sanadhya, Tatiana Santos, Nishant Saurav, Vanya Saxena, Mitchel Thompson, Nancy Tucker, Rhea Vichot, Rachel Joy Victor, Cynthia Wang, Steven Weber, Susan Resnick West, Robert Ashton Winslow, Danwei Wu, Avery Xie, Justine Yu, Haoming Zhang, Taoran Zhou.

And a special, double thanks to Ernest J. Wilson III, John Seely Brown and Henry Jenkins for their vision, leadership, and contribution to the Edison Project book.

THE NEW METRICS + MEASUREMENT: LEVERAGING ENGAGEMENT

Erin Reilly

In 2014, I spent a lot of time around soccer fans. I regularly visited the local sports bars, especially the one where LA's official Real Madrid fan club hangs out. I never missed a Champions League game. My friends were constantly sharing with me via email and social media soccer-related websites, articles, and videos highlighting soccer fans and their love of the sport. I posted on blogs, curious to learn more about the sport, and my credit card had many purchases in Brazil in July—the exact time the World Cup was happening there.

Assuming that my smartphone and other devices were collecting all the data associated with the places I went, the people I spoke to, the sites I visited, and even the purchases I made, it could easily be concluded that I am an ardent soccer fan. Now if you know me, you know that this isn't exactly true. Most of the people in my life would say I'm not particularly a fan of sports in general, let alone soccer. However, I was asked to step out of my comfort zone and study sports fans, to understand their passions and how they engage with brands—especially the brands that sponsor players, teams, and events in hopes of giving sports fans experiences that they want. In doing so, I wound up becoming an interesting sort of case study in my own project: I became a de facto soccer fan, based purely on my data trail. Even though there was a specific motivation at play, and even though it was a specific work-related goal that drove me to this madness, the label of "soccer fan" is now a part of my identity that persists today, its remnants visible in the automatically generated recommendations and ads that are served to me online.

My experience is, of course, not unique: each of us increasingly leaves behind trails of data that become crucial in shaping our digital identity. Especially with the proliferation of mobile devices, there has been a radical shift in how we think about, understand, and participate in the world. We are more connected and informed than ever before. Sometimes by permission (but often without our awareness), we funnel our locations, habits, desires, and selves into a pool of knowledge that every company wants to drink from in order to better understand and serve us.

In fact, marketers, creatives, and nearly everyone else in the media and entertainment ecosystem are doing everything in their power to acquire and understand that data. They want to create relationships with their consumers, so that they remain loyal audience members, customers, and fans who really love their show, their team, their brand. Media producers are trying so hard because our attention is increasingly fragmented across myriad devices (and, of course, the content that appears on each of these devices)—or, as described in our chapter on New Screens, audiences have become ever more "distracted, discerning, and demanding," which makes it that much more important for content creators to attract our attention and foster meaningful relationships. Whether we're getting directions, playing a game, or chatting with our friends, marketers and creatives see these devices as opportunities to connect with us, across all forms of media, to leverage us as their audience and/or customers.

But that's where marketers and creatives are wrong. In fact, they're all too drunk on the seemingly boundless promise of our data, and it's time to sober up. Data is only one part of the equation. New technological advances like big data and machine learning, combined with more direct access to audience sentiment, behaviors, and preferences via social media and over-the-top delivery channels, theoretically give the media and entertainment industry unprecedented insight into what the audience actually wants. But as a professional in the television industry shared with us, "We're drowning in data and starving for insights." No matter how much data you have, it can't quantify all that we are as humans. A more balanced approach is called for: one that blends what we can learn from data with a more human, fan-centric perspective, thus shedding light on the social and cultural context the data is situated within.

Take, for example, the Black Twitter community, a powerhouse on social media. To be clear, this community is not as segmented along lines of traditional racial demographics as the name might suggest: Black Twitter is not solely comprised of Black people, and not every Black person on Twitter is necessarily a member of Black Twitter. Rather, Black Twitter is more of a collection of people displaying, and participating in, a keen understanding of the cultural norms primarily defined by the African American culture. Consider the FOX television show *Empire* and the following insights provided by AIL Research Assistant Brooklyne Gipson:

> Throughout the first season the show has rewarded its followers with a multitude of cultural references that require a pre-existing understanding of the African American community to understand—i.e., Hakeem's desire to perform at the Highline (a place where all rappers perform to signify that they've made it), the art of Kehinde Wiley (a notable black artist) being featured in Luscious' residence, guest appearances of artists as big as Fantasia and stars as well known within the community as Chef Roble. These are all genuine cultural references that serve as prime fodder for discussion amongst this highly social community.

This type of information and understanding of a particular social group interested in a property could never have been discovered through traditional market segmentations that focus on demographics such as age and gender, nor could it have been identified using the current practices of "audience insights" or "customer acquisition" that focus mainly on traditional Key Performance Indicators of engagement that are based on volume analytics (such as the number of shares on a given video or data about those key influencers that can help pump up the volume) or sentiment that quickly provides a pulse of a given group's reaction.

There are ways to effectively use data to offer insights about engagement while still ensuring that we don't see big data as the magical box with all the answers (or, for that matter, as the monster under the bed). The first step in the right direction is for marketers and creatives to stop thinking of people only in terms of their identities as audience members or customers of a given product. Audiences are seen as an assembly of listeners or spectators, often in a passive position. Customers are regarded in a similar vein, and at the core of each term is this notion of quid pro quo—an exchange of money for goods, services, or experiences.

A better approach is to understand that we all have the potential to become fans because building a relationship is better than a one-night stand. Broadly defined, fans have a continued connection with the property they are passionate about. Some are willing to declare their affinity through engagement, some have an eagerness to learn more about their passion, and some want to connect with others who share their interests. Fans are emotionally linked to the object of their passion, and they experience their passion through their own subjective lenses.

We all start out as audience members, but sometimes, when the combination of factors aligns in just the right way, we become fans. **And most likely, you're not a fan of everything, but I bet you're a fan of something.**

The key to leveraging engagement is not just knowing demographics but understanding the different types of fan motivations and how to turn that data into actionable insights. Even if you and your best friend are fans of the same show, the same team, or the same brand, you're likely passionate for different reasons, which means you'll respond very differently to different situations and content. Each fan engages in different but discernible ways, and the more we know about their nuanced behaviors, the more value we can create within their media experience. Though traditional demographics may give us basic information about who fans are and where they're located, current methods of understanding and measuring engagement are missing two essential questions: **WHY is a fan motivated and WHAT triggers the fan's behavior?**

At USC's Annenberg Innovation Lab, I've been leading a research group to develop a new model called Leveraging Engagement to better understand fan behaviors and motivations. The Leveraging Engagement model seeks to address the why and what of fan behavior, and it can be used as a framework when designing media strategy—from collecting and analyzing (the right type of) data to creating new content and, ultimately, building stronger, long-term relationships with fans.

WHY Is a Fan Motivated?

At the core of the Leveraging Engagement model are certain *motivators of fan engagement*, which describe the various ways fans approach the objects they are passionate about and the goals that drive their fan behaviors. Building off of Ivan Askwith's *Television 2.0: Reconceptualizing TV as an Engagement Medium,*[2] where he offers an initial framework for thinking about viewer engagement, the Leveraging Engagement model entails a set of motivations that is both inexhaustible and agile in that, as we explore new genres of media—from sports to story universes to music—additional motivations emerge, some of which prove to be more prevalent in certain genres than others. Here are a few examples to illustrate some of the motivators we've seen apply in different fandoms:

In sports, some fans engage through *Identification,* *which we define as strongly associating oneself with a passion and defining oneself as a fan*. Being a sports fan connects some fans to the place they call home; for others, their fandom is important because they believe the team they support says something about who they are.

In unscripted entertainment where fans engage with the personality of a celebrity host, the logic of *Advocacy—championing causes on behalf of one's passion and taking positions on issues within the fandom*—shines through, as fans rally to support the celebrity's causes or the positive impact they have on the community. Yet we've also seen fans spark conversations through social media to advocate for their own causes with the hope of inspiring the celebrity host to shine a spotlight on their personal missions.

In music, the majority of music festival fans engage through *Social Connection—participating in a fandom in order to create or deepen relationships with other fans*—in which being around others who love the same music and enjoy singing along or dancing makes the experience.

In superhero story universes, the logic of *Mastery*

> manifests via a pronounced interest in *learning and understanding detailed information and stories about one's passion*. Some fans might want to know everything there is to know, whereas others might focus on certain details such as a specific period in time or a deep understanding of the relationships between characters.

Motivators act as lenses through which fans' behaviors and desires to engage with a specific type of content, people, or brands can be understood. They are individual touchpoints that facilitate engagement. A fan might think they have a dominant motivator they gravitate toward in their behavior, but very few, if any, fans exhibit only one of the motivators at any given time in their engagement. Instead, fans are usually engaging through mixtures of these motivators, and common mixtures are recognizable as recurring *fan mindsets*.

For example, in looking at music fans in America, one of the fan mindsets we've identified is the *Vocalist*. As the name implies, *Vocalists* listen to and often sing music frequently, most often in the car, with whatever type of mood they're in being the driver of the choice of song or genre. They often look for new music to listen to and enjoy learning about music and musicians, and they'll gladly purchase albums or other products artists might offer. However, they don't go out of their way to attend concerts or festivals, even though they are more likely than most music fans to play and create music. The *Vocalist* mindset is a combination of *Play*, *Identification*, and *Creation* (see Motivators Table for definitions), but they are not motivated by *Social Connection* or *Advocacy*, as music is a personal journey for them.

In contrast, fans operating with the *Mixologist* mindset listen to

MOTIVATORS	***an agile and inexhaustible list of what drives fan behavior***
ENTERTAINMENT	enjoying the overall experience and atmosphere surrounding one's passion
SOCIAL CONNECTION	integrating oneself in a fandom in order to create or deepen relationships with other fans
MASTERY	consistently learning and understanding detailed information and stories about one's passion
IMMERSION	losing oneself in the parallel universe surrounding one's passion by shifting one's focus from real life
IDENTIFICATION	strongly associating oneself with a passion and defining oneself as a fan
PRIDE	reflecting one's fanship in outward appearance and public behavior
ADVOCACY	championing on behalf of one's passion and taking positions on issues within the fandom
PLAY	participating (virtually or in real life) in activities related to one's passion
CREATION	expressing interest in the making of the original subject, or making original content/media related to one's passion
EXPLORATION	seeking to discover new points of interest related to one's passion and/or be in the know about what's new and cutting edge related to the passion
COLLECTION	striving to own a complete set of some specific objects or other items related to one's passion

music just as frequently as the *Vocalists*, but their passion is tied closely to friends, family, and other fans who are eager to discuss and share their knowledge about music and musicians. It is the feeling of being connected to a community of fans that matters most, regardless of whether it's in person at music festivals or online via fan sites. The *Mixologist* mindset is a combination of *Social Connection*, *Advocacy*, and *Exploration*.

In our research, we've seen similar mindsets emerge in fandoms focused on scripted entertainment properties, as well as among fans who are passionate about unscripted entertainment. There are fans of transmedia universes who are just as obsessed as soccer *Connoisseurs*, eager to master everything there is to know about the history, characters, locations, and actions inherent to a specific storyworld and share their knowledge with others. However, even if fans have the same motivators, their particular fan mindsets (or the combination of motivators they're exhibiting at any one moment) may lead them to manifest their passion via unique behaviors.

For example, in one of the unscripted entertainment properties we've studied, the mindsets of *Do-Gooder* and *Supporter* are both motivated primarily by ***Advocacy*** and ***Social Connection***. Yet the *Do-Gooder* is inspired to advocate for a cause that has personally impacted them and chooses to connect with like-minded supporters through social media, especially Facebook; in contrast, *Supporters* passionately support causes that the celebrity personality of the program supports, and they admire the celebrity for the impact *she* can have on ordinary people that they identify with—people like them.

The more we conduct research across sports, music, and other forms of entertainment with multiple teams, stories, and brands, the more we see how the broad definitions of the Leveraging Engagement motivators can be used to understand fans, and how they can be combined into multiple mindsets situated in a variety of contexts to better illuminate why fans behave the way they do.

WHAT Triggers the Fan's Behavior?

While most fans may adopt one of these fan mindsets most of the time, they may shift to other mindsets according to changes in their unique **situational triggers**. These triggers, which can take the form of tangible objects or discrete actions, can be determined based on a number of factors:

- **Where is the fan?**
- **When does the engagement happen?**
- **What does the fan know?**
- **Whom does the fan engage with, and how?**
- **How does the fan feel, whether it is a physical or an emotional sensation?**

Understanding the objects and actions that inspire certain fan mindsets will help media producers create content and activities that can help these fans engage more deeply with a given team, story, or brand.

Let's return for a moment to my experience as a soccer fan. At first glance, you might see me as just an audience member, a spectator of the sport. The truth is that, especially after my experiences researching soccer fandom, I actually am a fan of soccer. However, I'm not your typical fan, and my experience of being a fan of soccer has been short-lived so far. In other words, I'm a noob when it comes to this type of fandom, though some of the soccer fans who adopt more inclusive mindsets have embraced me as one of their own.

One of the soccer fan mindsets that emerged in our study was that of the *Follower*. *Followers* are not likely to be aligned with any of the motivators we've identified except ***Entertainment***, the most fleeting form of engagement sparked largely by a desire to strengthen personal connections with friends and family. *Followers* enjoy watching, especially during close games or exciting finishes, but they are not deeply invested in being fans. The second most common mindset for women to adopt, the *Follower* mindset often represents the mothers and wives of those who are more avid soccer fans; *Followers* could also be the fans who are turned off by some of the crazier elements of sports fandom such as violence, over-the-top cheering, and poor sportsmanship. They also don't care much about understanding details and don't possess strong opinions, often because they just don't know that much about the history, the players, or the stats.

Even a year out from my entry into soccer fandom, I identify as a *Follower*. I was uncomfortable just starting to watch the game on my own. After all, watching it on my own wasn't very entertaining; all I saw was a group of men either standing around aimlessly or running from one end of the field to the next, which didn't strike me as particularly exciting. It wasn't until I went to a sports bar with a friend whose knowledge of the players, the history, and the game far outweighed my own that I started to look at it from a different angle. His insights helped to fill in the blank stares that I would have given the TV if I'd been alone. It was during these initial viewings that I learned the basics of the game and began to understand why soccer is the world's favorite sport.

However, new triggers push you to engage in new ways, and thus your mindset (and your behavior) can change when you move from one situation to another. Traveling to the World Cup was one of those triggers that exposed me to more information and buzz about soccer. I also had the opportunity to socialize with devoted fans and attend specialized, large gatherings that shifted me from a *Follower* to a *Mascot* during the World Cup. *Mascots* are loud, high-energy, high-emotion, fun-loving fans. They get wild when matches get exciting. And they have a great time being fans. They love stories about the sport, but they don't pay much attention to statistics and tactics. Most importantly, *Mascots* are often partisan to a specific team or nationality.

One instance in particular illustrates the shift I underwent in moving from a *Follower* mentality to that of a *Mascot*. Before going to the World Cup, I had spent a lot of time in Los Angeles with fans in the local Real Madrid club. The female fans in LA had told me all about Cristiano Ronaldo, the star player for this team, so when I headed to the World Cup I brought my favorite t-shirt featuring Ronaldo, who was playing for his home country, Portugal. Now, if you recall World Cup 2014, one of the best games was between Portugal and USA where, in the last second, Portugal scored the tying goal. We watched this game in a bar surrounded by American fans, crammed in like sardines; the energy of the room was electric. Fans were waving American flags and every few minutes the entire bar would chant, "I believe, I believe that, I believe that we, I believe that we can win," or, "USA! USA! USA!" I had hung around soccer fans throughout the year so by the time I made it to Rio, I could hold my own in terms of following what was happening in the game and who the different players were. I found myself becoming caught up in the moment and, in the process, my behavior changed. I'd gone to the bar wearing my Cristiano Ronaldo T-shirt covered by my USA sweatshirt. Immersed in the experience, thoroughly entertained, my new motivators were *Identification* and *Pride*. It was HOT in that bar, but in that context and among that crowd, there was no way in hell I was taking off my USA sweatshirt and revealing any affinity for a player on the other team. I was right in there with everyone else, chanting loudly and feeling the pain of being robbed of our victory at the last second. In that moment, I was a *Mascot* of the US team, and I still follow them today.

Enter on Your Own Terms

With so many similarities between the two mindsets I just described, one might draw the surface-level conclusion that there is a hierarchical ranking into which we can slot various fan groups. The media and entertainment industry widely believes that 80% of its revenue comes from the 20% of its audience frequently referred to as “superfans.” Some might not consider *Followers* true fans; in contrast, *Connoisseurs* could be classified as superfans. But this sort of taxonomy papers over the opportunities that each mindset offers in an engagement strategy, and you’re most likely leaving money on the table by not catering to the nuanced behaviors each mindset demonstrates. A hierarchical view also suggests that you have to start out as a *Follower* and work your way through multiple mindsets in a specific order on your way to becoming a superfan.

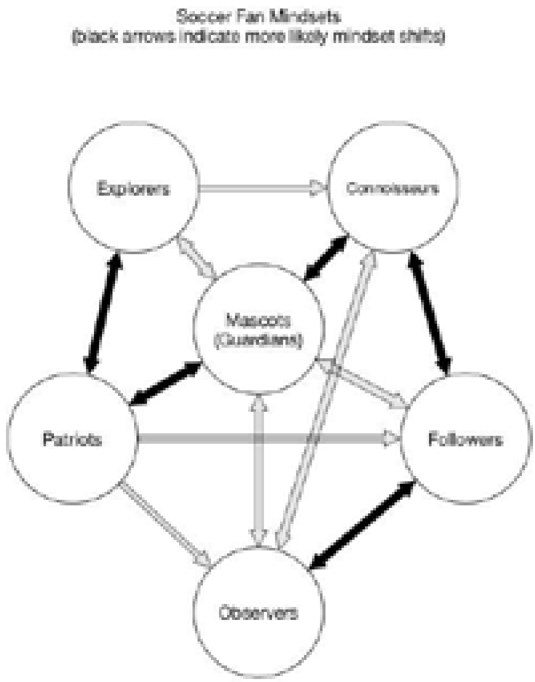
This is not what we’ve found. In fact, looking at fans through the lens of our two core questions—**WHY is a fan motivated and WHAT triggers the fan’s behavior**—reveals there are multiple points of entry into a fan community, with multiple versions of meaningful engagement.

Take for example the figure shown on page 23. This model offers insight on the pathways of potential mindset shifts for soccer fans.

As shown by one of the black bidirectional arrows, *Patriots* can transition into *Explorers* when they start to get excited about playing soccer, fantasy soccer, or other soccer-related games.

Shifting from this mindset in the other direction, *Explorers* can "retire" into a life of *Patriotism* when real-life circumstances demand more time and focus, and engagement levels have to dial back (or at least shift focus) as a result.

Now, take a look at one of the gray bidirectional arrows. *Observers* don't usually become *Mascots* without "leveling up" socially into the *Follower* mindset first, but they can when the party atmosphere is silliest (at big international tournaments, for example). Moving in the other direction, most *Mascots* have too much single-team focus (rooted in *Identification* and *Advocacy*) to step back into a role as an *Observer*, but their loyalty isn't as strong as that of a *Patriot*, so they just might



make that move if their team is bad for a long stretch of time.

When we move away from using terms such as “segmentation” and “profiles” that rigidly relegate fans to specific groups and instead turn the discussion towards “motivators,” “mindsets,” and “situational triggers,” we begin to operate within a framework that encourages agility and evolution while also recognizing the importance and complexity of each fan, no matter how they like to engage.

Using the Leveraging Engagement Model to Understand Data

Fans are increasingly exercising greater autonomy with respect to their media choices, prompting industry leaders to seek new, refined ways to engage the majority of the audience, all the way down to the niche communities. However, if your goal is to better understand fans in order to capitalize on that part of the value chain, stop right now. You will fail miserably. If you plan to leverage data to better understand fans, the first rule to adhere to is this: **Fans are not a commodity. They are motivated to participate for many different reasons (and often not just to consume the entertainment).** Many fans understand that you are interested in them, but frequently they feel misunderstood and think of the relationship as one-sided.

How can we use the Leveraging Engagement model to develop new Key Performance Indicators (KPIs) that are measurable?

How do we successfully make data actionable to ensure it is a valuable asset for a company while, at the same time, respecting fans and trying to better understand them the way they want to be understood?

The Internet has offered fans a new voice to share feedback with creators and media executives on what they like and don't like. For example, it keeps track of what fans are willing to purchase, and sentiment analysis of online data has proven to be a useful tool in taking the pulse of a specific time or situation. All of that data is there to use, but it's important to understand that data doesn't make us who we are. We shape the role data plays in our lives, and it is up to us to effectively and ethically make meaning from it. As such, data science should be a key practice in your company (and if it's not already, make it so), because it is essential to the craft of supporting better decision-making. Similarly, as we consider the potential of new metrics and measurement, we would do well to start with basic questions about our data-related practices.

What data should we collect to leverage engagement with fans?

We're constantly bombarded with stories about how much data is available, but when it comes to data and the challenges of interpreting it, guidance is definitely needed. The first step is to know what data should be collected. The worst thing you can do is to open up the door and let everything in. If you hear yourself saying, "Well, you never know when we'll need that particular data—better to have it than to not have it," then pause and review the questions you want answered. Media companies cannot gain essential insights without first knowing what questions to ask and then collecting the right data to seek the answers they need. Always keep in mind exactly what question you want answered, and be ready to return often to that question and reflect on whether it's still the right one. If you make the mistake of collecting too much, then you'll be in the same situation as so many others who are "drowning in data and starving for insights."

The data that is necessary to better understand why a fan is motivated and what triggers fan behavior is not limited to one type of data set. For one thing, it's crucial to expand beyond standard volumetric analysis of social media likes or shares; similarly, while aggregate data may be clean, it can't provide the depth and breadth of information that would allow your data science team to track users across multiple platforms and conduct semantic and textual analysis to gain deeper insights into behavioral patterns. A mixed methods approach that combines both quantitative and qualitative data helps to better understand fans. In fact, your company probably doesn't yet have all the data necessary to truly see the full answer to these complicated questions, and relying only on proprietary data isn't utilizing the power of the Internet—or businesses similar to your own—that also are trying to reach the same audience. These bigger questions are driving natural scaling beyond institutional boundaries, which in turn changes how we need to do business. We're trying to communicate, but we're looking in the wrong place (or we're not looking in enough places). It's high time to consider new strategies for data collection and analysis—ones in which answers are found by moving away from verticals to explore new horizontal structures. What follows are a few best practices that can help guide us as we develop these new approaches.

1. **Standardize your data collection across both internal and external partners**
   It is important to look at social media in correlation with other types of data in order to effectively answer questions such as the following:

   - Are certain fans who engage through certain motivators more likely to contribute to, participate in, and influence spikes in social media activity, and if so, at what points in time?
   - By looking at personality traits common across multiple fan mindsets, can we determine

whether certain types of fans cluster together to discuss certain types of content? If so, what is the content?
- What triggers fans' discussions? Is it possible for brands to trigger substantial/meaningful discussion with fans?

Bringing together multiple data sets is the first step towards answering these questions, but in order to successfully do so it's imperative to standardize data collection so each set can truly interface with and be meaningfully linked to others. When we studied a celebrity-driven unscripted entertainment property, we were looking across multiple sources of data, from the show website to the celebrity website to Facebook to survey data, yet because the data sets from these different sources were not standardized it was difficult to identify relationships across the whole.

Requests for data collection come in many forms—web traffic, social networks, mobile phones, and Nielsen, to name a few. Yet often, these data sets are owned and/or managed by multiple teams within a company or even external partners, and often the protocols for each group are different. With so much data being collected, there needs to be a priority on standardizing data collection, such as including time stamps, fixing broken video links, and even formatting across all data sets.

2. **Step outside your house**

Want to better understand your fans? Then step outside "your metaphorical house." One of the filters we incorporated into our data collection was

"Authored by the Brand" versus "Not Authored by the Brand," with sub-filters that included things like content properties, characters, artists or team members, events, writers, and culture. This became an interesting lens through which to look at the data. We found that data created and "Authored by the Brand" vastly outnumbered that "Not Authored by the Brand" in terms of pure volume, which is not surprising, considering the amount of posts and Twitter campaigns pushed out with trailers, celebrity endorsements, and other mechanisms to generate buzz and build momentum.

Complementary to "Authored by the Brand" content, the content most reshared was celebrity posts and tweets. Even though these messages were "Not Authored by the Brand," they helped bring additional fans into the conversation—fans who may have been following the actor, artist, or musician who was offering their endorsement much more closely than they were the property under consideration.

A majority of the "Authored by the Brand" and celebrity endorsement conversations happened on Twitter and Facebook. The content shared offered provoked minimal conversation or discussion that was simple at best. The motivators fans mainly engaged through were a combination of *Entertainment* (with celebrities posting text and images like "*On set. Behind the scene. this set is amazing!*" or "*Awesome mix, bad ass soundtrack*") and ***Social Connection*** **(**with celebrities again posting text and images like *"Circled back with some ol' friends"* or *"Does anyone have a WITTY CAPTION for this fun look back pic?*").

Though their contributions were not as often reshared, fans who spread messages ended up being motivated just the same with comments like, "I was waiting for this." It might just be the affordances of these two platforms, Twitter with its 140-character limit and Facebook framed by a quick-to-digest newsfeed doesn't offer the right space to foster richer conversations.

The conversations and context on the "Not Authored by the Brand" pages and sites, some found on Twitter and Facebook but majority found on sites like Reddit, provided a more nuanced understanding of what triggers fans to engage with the property. Reddit offered longer, more in depth posts and the motivators ***Creation***, ***Advocacy***, and ***Mastery*** emerged more often than on the other two platforms. For example, a post on Reddit might share a potential theory of the story unfolding on television and ask for thoughts and feedback from the community.

3. **Foster interdisciplinary teams and mixed methods when seeking answers**
   It's important that a research analytics insights team consists of both qualitative and quantitative experts working together to develop the right set of questions to answer, because this shared expertise often helps draw deeper meaning out of volumetric, textual, and predictive analytics. Volumetric analysis is most prevalent in analytics today and allows us to identify specific performance metrics, such as the amount of time spent viewing content along with numbers of comments, shares, and likes. A volumetric analysis helps determine problem

areas where the performance metrics clearly dip. However, there can be a huge amount of signal in this noise of volumetric analysis, so additional methods are required.

Sentiment analysis has been widely used to begin addressing the signal-to-noise ratio and provide a quick way to assess the attitude of a conversation by identifying the text as positive, negative, or neutral. However, previous research at the lab[3] has identified the pitfalls to this, especially with inaccuracies related to evaluating language features such as sarcasm.

Advanced approaches to text analysis using natural language processing can help provide insights into motivations, behaviors, and situational triggers for engaging with content, people, or brands. In order to conduct such semantic analysis, text generated from, for example, Facebook comments are reviewed as a syntactic structure with meaning and, whether it is a post or a comment on a post, the content is looked at with relational understanding. This type of method requires an analyst to first manually code the data in order to train learning algorithms to solve regression problems and help predict a specific performance metric—which proves that the understanding you derive from your data is only as good as your team. The more your team understands the content, people, or brands they are researching, the more they can provide the correct information to the machine that is learning how to support their efforts. And the best way for your team to understand the content, people, or brands is to look at things through multiple lenses,

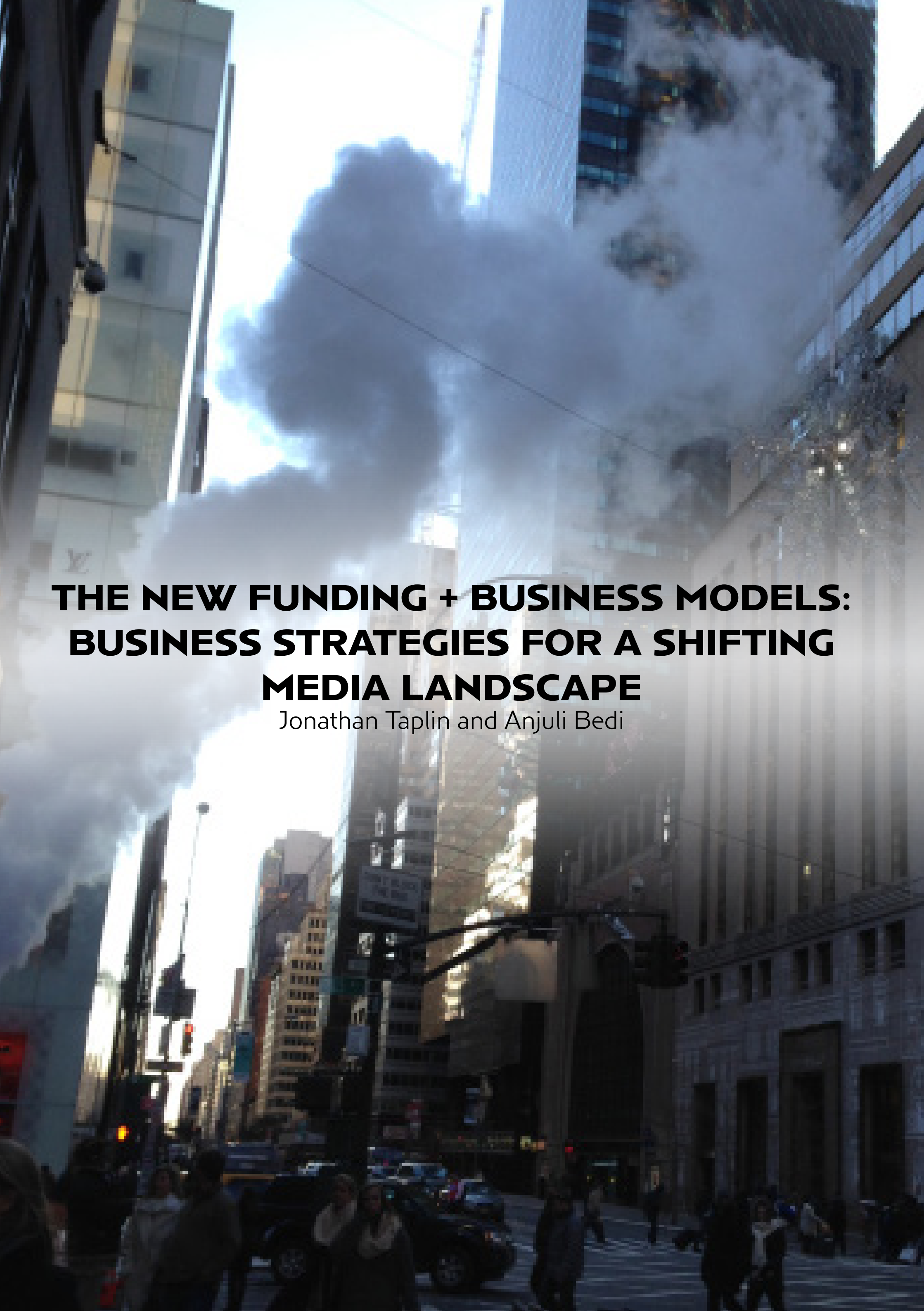
> whether by watching the programming or listening to the music, interviewing the fans, or personally trying out what a brand has to offer. The more they are equipped with well-rounded knowledge of the different contexts associated with the content, people, or brands, the more likely they'll be to grasp patterns that are not always right at the surface when looking at the data.

Mapping the New Metrics and Measurement

So what can we say about this new analytical landscape in which we have all of these exciting new tools for data analysis and yet struggle to make sense of what to do with it all? When you move beyond volumetric and sentiment analytics that at best are descriptive but provide little in the way of actionable insights, we begin to explore more semantic analytics that offer new insights into behavioral and textual analytics.

With this, language and motivation become increasingly important. Language is created by people, and it differs depending on the culture it is situated within. Take, for example, the many different ways people talk about soccer (or football if you're from a part of the world other than the United States, where football has a completely different meaning). People, especially in mediated communication, hardly ever use proper English. They are complex and metaphorical in how they share meaning, often using slang and jargon, emojis, and imagery specific to the culture. And the minute we try to figure it out, let alone collect data and train a machine, culture evolves and people mix it up again. As if the challenges of trying to model machines to understand the nuances of textual language weren't enough, we now face rapid developments in terms of emojis, images, audio, and video (and all the motivations, representations, and understandings that are bound up with them), which will likely become increasingly more complex in years to come.

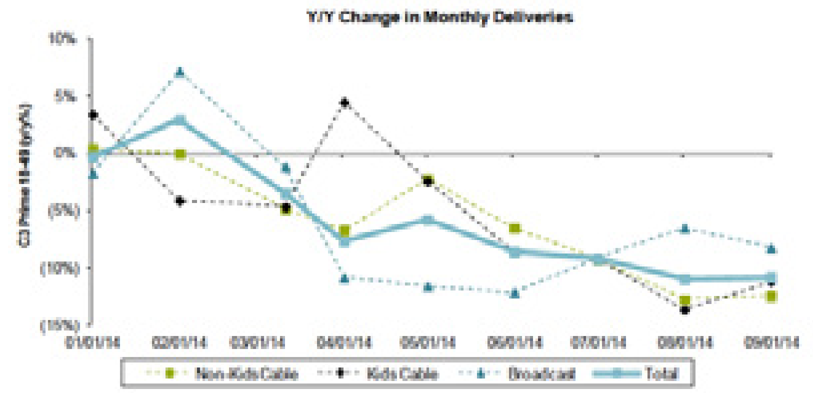
Simply put, the mechanisms we rely on in collecting, processing, and making sense of data have the capacity to directly shape the rewards we get in return. Apply, for example, thoughtful contextualization and a human touch to the process of training your data models, and you're far more likely to derive a more deeply nuanced, contextualized, and human picture of fans, gaining unique insights as to their mindsets, tastes, proclivities, and interests. These insights can help you better understand and appreciate what fans value—and how you, in turn, can value the fans.



THE NEW FUNDING + BUSINESS MODELS: BUSINESS STRATEGIES FOR A SHIFTING MEDIA LANDSCAPE

Jonathan Taplin and Anjuli Bedi

The rise of digital distribution has thrown the media industry into a new era that presents a range of challenges and even greater opportunities. Never in the history of entertainment have there been so many distribution options, so much content produced, and such a widespread ability to reach a global audience. With these developments comes fragmentation amongst media players competing for market share. The analogue world that ruled American electronic media for a century starting in 1890 was about the allocation of scarcity. As such it had an economic logic that ensured that the production of content would be remunerative. In the 1960s William Paley, CEO of CBS, said that owning one of the three television networks was "a license to print money."[4] It also ensured a certain kind of collective consensus in our culture. "All in the Family" could have an audience of 20 million viewers a week. The digital world that has followed is based on abundance, creating an extraordinary degree of audience fragmentation, which destroyed the economics of the analog age as this chart of monthly deliveries to TV advertisers demonstrates.



Note: Kids' Cable deliveries are based on the 2-11 demographic. All others are based on 18-49.
Source: Nielsen, Bernstein analysis

The recent 30% decline in major media stocks was brought about by the realization that both ad revenue and subscription revenue were in a "secular decline."[5] In the face of this reality, most media companies have turned to the mobile platform as a possible growth strategy. Today almost 60% of Facebook ads and 50% of YouTube views are on a mobile device.[6] We were assured by pundits like Wired Magazine's Chris Anderson that "The Long Tail" of this digital abundance would mean a much more democratic distribution of the spoils of the digital age.[7] But the Long Tail is somewhat of a myth, at least as evidenced by the current music business in which 80% of the revenue is earned by 1% of the content.[8]

And of course these same "winner takes all" economics apply to the world of mobile. Google has 85% market share in online search and advertising.[9] Google's Android mobile operating system has 80% market share.[10] Facebook has 77% market share in mobile social media. Content owners are facing far more powerful monopolies than the TV networks ever posed. Some online news organizations are already getting over 70% of their inbound traffic from Facebook.[11] As former Secretary of Labor Robert Reich recently wrote, "Big Tech has been almost immune to serious antitrust scrutiny, even though the largest tech companies have more market power than ever. Maybe that's because they've accumulated so much political power."[12]

The implications for all of this on the future of the media business are profound as FX president John Landgraf recently pointed out. "There is simply too much television," Landgraf said; "We're in the late stages of a bubble."[13] In a world in which 400 hours of video are uploaded to YouTube every minute of every day[14] the commodification of what was once considered an art (or at least a craft) became inevitable. While one could argue that the current "Golden Age of Television" benefits from the proliferation of niche content, the evidence of art that will survive "15 minutes of fame" on YouTube has yet to be demonstrated. The economic underpinning of such a business—online advertising driven by deep user surveillance—also cannot be sustained, pushing against the laws of supply and demand. The average "cost per click“ of a YouTube commercial has fallen 30% over the last year[15] as supply overwhelms demand. Add to that the fact that even Google admits that 50% of the ad views are “non-human“ (click bots),[16] the return to advertisers is riddled with fraud. The addition of ad blockers to Apple’s IOS 9 platform virtually assure more problems for the ad supported content model.

All of these factors lead us to surmise only three paths out of a coming media implosion. First, the number of cable networks will have to shrink radically from the current 400 to perhaps no more than 100. Secondly, the online advertising business will have to dramatically reform a broken system. Finally, many more media organizations are going to have to adopt a paid or subscription media model, especially as relates to the mobile platform.

Downsizing Cable

The Innovation Lab was one of the first research organizations to predict the radical shift[17] in viewer demand from the linear TV format to the on demand platforms that are beginning to dominate viewer attention, especially in the younger demographics. The combination of the previously cited decline in ad delivery with the additional problem of “cord-cutting” will accelerate the secular decline of linear TV. As the analyst Craig Moffett wrote in a note to clients on August 7, 2015, the Pay TV sector is shrinking at about 1% year over year, while “new household formation has accelerated, supposedly offering a tailwind for new subscribership. The new households are nowhere to be found in the Pay TV data. Adjusted for the growth in new households, cord-cutting and/or cord-severing has claimed nearly 2 million households over the last year.”

We see the possibility that major cable and satellite players like Comcast and DirecTV may simply drop significant numbers of cable networks or demand that they only pick the channels they want to carry. Networks like Viacom, which has over 30 channels when only three (MTV, Comedy Central and Nickelodeon) are viable, will be extremely vulnerable in the coming years. Those programming firms that can adapt to an on demand consumption model will prosper, while those that remain tied to the linear TV format will suffer. Cable operators will allocate much more spectrum to broadband TV delivery and shrink the number of linear channels. As media analyst Craig Moffet pointed out six years ago in "The Dumb Pipe Paradox" (Bernstein)[18] cable firms may actually be more profitable abandoning the linear video business.

Reforming the Online Ad Business

As programmatic advertising (those ads that follow you around the web) has become more dominant the problem of ad fraud has reached epidemic proportions, according to Digiday.

> Ad fraud is top of mind in programmatic advertising, and the only debate is about the extent of the problem.
>
> Rather large, if you go by a bracingly frank presentation by AppNexus chief data scientist Catherine Williams at ExchangeWire's ATS London event on Monday. According to Williams, filters deployed earlier this year by AppNexus saw transactions on its platform drop by two thirds.[19]

This is clearly an unsustainable problem that must be addressed. Advertisers clearly are not getting what they paid for and both agencies and ad exchanges seem in denial about the extent of the problem. As Bloomberg recently reported:

> Programmatic ad-buying systems don't necessarily differentiate between real users and bots, or between websites with fresh, original work, and Potemkin sites camouflaged with stock photos and cut-and-paste articles.[16]

> We predict this will lead to a war between Apple and Google on the mobile ad platform. As The Verge recently noted, "With iOS 9 and content blockers, what you're seeing is Apple's attempt to fully drive the knife into Google's revenue."[20] In general we feel that the "Ad-Tech" business, which is mostly based on surveillance marketing using programmatic tools has been harmful to premium content suppliers. As programmatic ads are tied to the individual user and not the content, there is no premium being paid for quality content. Furthermore the business is like the Wild West, with many shady operators and should be ripe for consolidation as the chart below shows.

> "I can think of nothing that has done more harm to the Internet than ad tech," says Bob Hoffman, a veteran ad executive, industry critic, and author of the blog the Ad Contrarian. "It interferes with everything we try to do on the Web. It has cheapened and debased advertising and spawned criminal empires." Most ridiculous of all, he adds, is that advertisers are further away than ever from solving the old which-part-of-my-budget-is-working problem. "Nobody knows the exact number," Hoffman says, "but probably about 50 percent of what you're spending online is being stolen from you."[20]

If the programmatic ad business was conceived as a solution to the "I know 50% of my ads are wasted, I just don't know which 50%" problem, then it is clearly not succeeding. We believe that this could lead to a total rejection of the programmatic model on the part of major brands and top publishers. One of the strengths of the media and ad agency businesses has been their incredible diversity. Small agencies were able to develop creative skill sets that led them to growth and consolidation with larger shops (e.g. Chiat\Day). For traditional ad agencies as well as established publishers with high quality content, the move away from programmatic could mean a return to the classic role of the agency as media buyer, where context matters greatly to ad placement. This would also prevent the kind of monopoly power being exercised by Google in the search ad business, spreading to the rest of the advertising ecosystem. The combination of ad blockers, bot fraud and consolidation will result in a resurgence of premiums being paid to advertise on quality content sites. This of course could benefit major media firms and signal a move

away from the commoditized YouTube platform. But just how this plays out on the mobile platform will be the key question for ad-supported media to answer in the next three years.

The New Mobile Model

The mobile platform, which is projected to reach 4.5 billion smartphones by 2018 will be the key to content's future. In this complex and rapidly shifting environment, media companies can seize the opportunity to scale content, reach new audiences and adopt new payment and distribution systems. We believe that many of these new mobile distribution platforms will employ a subscription or micro-payment models. Conversations with the CEO of one of the largest MCN's, points out that they are already viewing their massive YouTube traffic as a loss leader: an unprofitable business that hopefully could build awareness and lead viewers to their SVOD service.

The success of multiple SVOD channels depends on four factors:

1. How well companies can leverage a world of 4.5 billion smartphones to scale content and generate revenue
2. The number of SVOD players that can compete in the marketplace
3. Media companies' ability to facilitate discovery so consumers can easily find the content they want
4. How well media companies can work with existing powerhouses like Netflix, Amazon, Google, and Apple so the market becomes a self-sustaining, albeit consolidated, ecosystem as opposed to an oligopoly

The media companies that can scale their content, be a primary contender in the SVOD market, enable consumers to find content, and form partnerships with ISPs, content aggregators, and other content companies will firmly establish themselves so they emerge as competitive players in a future media landscape.

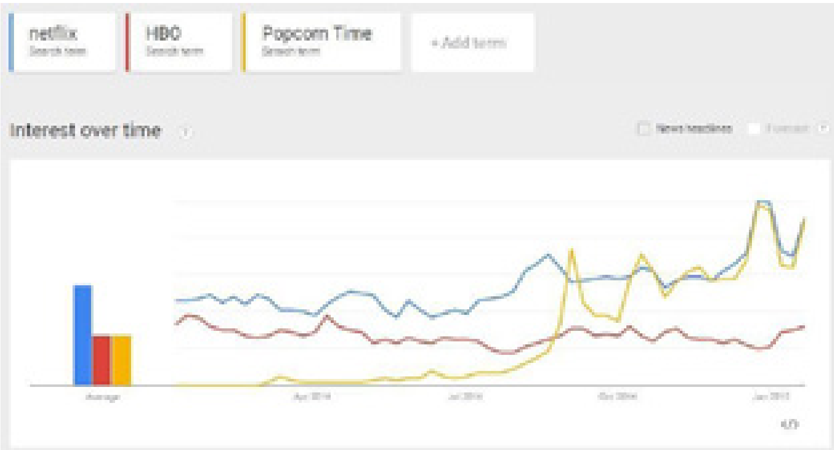
Leveraging 4.5 Billion Smartphones

In a world of 4.5 billion smartphones,[21] media companies have the unprecedented ability to scale content to audiences across the globe. For example, a 50-cent micropayment from 5% of the total global audience would yield $175 million. Obviously companies will have to rethink the kind of programming that will be most successful on a mobile device. This may mean some sort of mini-serialization formatting of content into ten-minute episodes. Short web comedies like "The Guild" point towards some early efforts in this space, but the serialized drama that is so dominant on TV has yet to be really explored in a short form that would work for mobile devices. Given that comedy has never really scaled in the international market, it would seem that short serial drama, perhaps as sponsored content, is the next real opportunity. But to unlock that potential, industry players will also need to find innovative solutions for managing piracy, leveraging emerging payment systems in tandem with micropayments, and increasing the efficiency of online advertising.

Piracy

While piracy can both harm and help media companies, it has certainly grown more rampant as smartphone penetration has increased. When Popcorn Time was relaunched in the first quarter of 2014, its app had 1.4 million downloads at the end of the second quarter.[22] That sobering growth rate promoted Netflix CEO Reed Hastings to call Popcorn Time and other pirate sites Netflix's strongest competitors.[23] New social streaming platforms like Meerkat and Periscope have also threatened profit margins by streaming live events, including the Pacquiao-Mayweather fight in April 2015[24].

Search engines like Google provide the main source of customers for pirate sites, as this chart of European Google searches demonstrates[23] that the pirate competes head to head with Netflix.



While piracy has hurt profit margins, some industry players have successfully capitalized on piracy to improve their services and increase the popularity of their content.

HBO's *Game of Thrones*, for example, is the most popular and pirated TV show of all time.[25] However, studies show that many *Game of Thrones* viewers transitioned from watching the show on pirated sites to purchasing an HBO subscription.[26] Piracy may even be a factor in making *Game of Thrones* the most widely popular TV show because piracy has increased the size of its audience, thereby increasing the number of fans purchasing *Game of Thrones* merchandise. Aside from HBO, Netflix has also parlayed the competition from piracy into a data mining opportunity to enhance its user experience.

So how do media companies take advantage of piracy? If they adopt a consumer-oriented strategy in which the right content is funneled to the right audience at the right price, they can develop a relationship with devoted fans and upsell them.

Nine Inch Nails adopted that strategy when they released their much anticipated album, *Ghosts I-IV,* in 2008. They believed their fans would be willing to pay for their music while the majority of listeners would pirate their album. As such, they released the album for free but also released limited edition deluxe and ultra-deluxe packages for $300 on their website targeted towards loyal fans. Even though the music was available for free, devoted fans pushed record sales to $1.6 million in its first week.[27]

Emerging Payment Systems and Micropayments

Micropayments exploded onto the marketplace in 2005 with Apple's iTunes store, catalyzing a widespread utilization of the micropayment business model. Paypal defines a micropayment as any payment below $12.[28] For users, micropayments allow them the ease and flexibility of purchasing exactly the content they want at a very low cost. For the business, the model allows them to monetize a wider range of content and still generate high returns when operating at scale. Paypal for example charges 5% for micropayments and 2.9% for normal payments,[29] allowing it to generate higher returns from smaller purchases. Facebook has also adopted the micropayment model with its virtual currency, Facebook credits. Even with the widespread adoption of micropayment systems, many businesses and analysts find significant flaws in the model.

Critics of the micropayment model such as columnist and

Professor Clay Shirky have argued that "It looks like it will work, but it doesn't, because users just don't like it."[30] Shirky defines micropayments as small digital payments between a quarter and a fraction of a penny, far below the micropayment rates set by the iTunes store's $0.99 and above for a single song. This presents the argument that micropayments can be leveraged successfully at higher price points when the payment justifies what Nick Szabo refers to as mental transaction costs, the energy used to deliberate whether to purchase a specific good.[31] Shirky argues that the primary issue, however, is that the pay-per-song model leveraged by the iTunes Store is not the user's preference.[30] Rather, there are no legal commercial alternatives and so the small payment model continues to survive.

That commercial alternative could be found in the streaming model, which has become increasingly popular with Spotify's and Netflix's dominance of the marketplace. Users have become less compelled to pay for a single piece of content when they have access to an entire library for a small monthly fee that they often have on autopay. Apple's recent figures reflect this shift in user preferences. According to 29 Apple analysts at Fortune Magazine, iTunes' growth rate halved from 2013 to 2014.[32] This finding reflects the growing trend of iTunes store customers shifting to competing streaming providers such as Spotify and Pandora rather than paying for specific pieces of content. As Shirky contends, even the porn industry, the e-commerce geniuses, haven't been able to leverage micropayments successfully.[30] Despite the micropayment model facing an uncertain future, several companies have leveraged the model successfully due to the following factors: achieving scale, perfecting the user experience.

Candy Crush and Angry Birds have become such phenomenons because they are addictive games that are very shareable. Another example is Chinese gaming company 3X, which has incorporated micropayments for additional features so at the point of greatest engagement, the user is most compelled to purchase an additional feature to enhance his or her experience. Additionally, with a global user base, the mathematics present a compelling case for micropayments when functioning at high scalability.

With new digital payment technologies entering the marketplace, including the Akimbo card and Bitcoin, companies have a wider range of options for types of payment plans to incorporate into the overall micropayment model to reduce overall transaction costs. The companies that can successfully incorporate those technologies into their user experience will effectively monetize through micropayments. However, they will still have to face the growth of streaming services that have grown to dominate the cultural and media landscape. In addition, the introduction of the Apple Watch, combined with Apple Pay provides a completely new app development environment in the microtransaction landscape. We believe developments in this area will be critical to the next stage.

Making SVOD Work: Affordability, Partnerships, and Audience Engagement

Cord-cutting has become the status quo as consumers continue dumping their cable companies in favor of the more affordable and flexible media consumption that SVOD enables. Consumers generally subscribe to several SVOD providers and complementary devices, like Amazon Fire TV and Roku. Given the content acquisition costs for building content libraries, the cost of developing original content, and the low price point needed to retain customers, there will be a limited number of successful players in this space.

To determine the number of SVOD providers that could be competitive, assume consumers subscribe to all major players—Amazon Prime, Netflix and Hulu Plus—and new and impending entrants HBO and ESPN. If a consumer were to subscribe to all of those services, he or she would be paying an estimated $46.22 per month plus $40 for broadband. In contrast, the cost of the average cable service is $80. Assuming a cable subscriber is also a broadband subscriber, a consumer could subscribe to eight SVOD channels before SVOD is less economically beneficial to a consumer than cable TV.

In this environment, SVOD players have two options:

1. **Form partnerships to strengthen their competitive positions.** Content producers could partner to launch their own SVOD service. Producers could also partner with specific aggregators to release their content.

2. **Strengthen their relationship with their consumers.** By communicating directly with consumers especially through social media channels, SVOD players can strengthen their competitive position and increase the power of their brand.

Ultimately, the quality of content, the strength of existing partnerships, and brand equity will determine a player's long-term strategy in the SVOD market. Clearly as YouTube enters the SVOD market with their "Red" offering, the competition among well capitalized players will get more fierce. Considering the market capitalization of Google, Apple, Amazon and Facebook, it's rather clear that the traditional content players are outmatched when it comes to the ability to invest in new delivery platforms and content. Time will tell if FX's Landgraf is right and this is a fool's game that everyone loses.[13]

Connecting the Right Content to the Right Consumer

As consumers continue to be inundated with media options, they face the challenge of discovering new content they would actually enjoy. Before recommendation engines existed, most consumers relied on suggestions from friends or serendipitous encounters with content for discovery. Then came Netflix's recommendation system. Even with the flaws of many recommendation systems, their popularity highlights that curating the right content to the right consumer is crucial for monetizing audiences. For a consumer, an ideal world would be one in which she arrives home after an exhausting day at work, voice navigates to recommended TV shows, and finds episodes of *Saturday Night Live* that have already been curated to her preferences, interests, and the time of the day.

We refer you to the work in the previous chapter on Leveraging Engagement. Although this is a subject too large to handle here, we believe that our work in that area will lead to new kinds of content curation. The more precise a media company's curation system, the greater the benefit to the consumer and the higher the switching costs. The key to implementing this strategy is to leverage big data to understand the psychological and behavioral attributes of fans and more accurately curate the right content for the right audience.

The Future: A Consolidated Industry

It is impossible to discuss the future of the media business model without discussing the five behemoths dominating distribution: Amazon, Google, Facebook, Apple, and Netflix. While each of these players has a different business model, controls a different segment of the value chain, and makes use of its resources in other business units to bolster its content distribution service, they are the gatekeepers through which content creators reach their audiences. In such a fragmented industry with few powerful players, the industry could evolve in three ways.

Scenario 1: **Vertically-integrated oligopolies made up of ISPs, aggregators and content creators.**

If net neutrality is not enforced, ISPs will continue controlling the supply and price of distributing content over-the-top, causing further consolidation between ISPs, aggregators and content creators. The powerful aggregators would not need to merge with ISPs to continue distributing content. However, they would likely integrate backwards by developing their own fiber network (as Google has done) or integrate forwards by producing content (as Netflix has).

Scenario 2: **The five oligopolies strengthen their control of distribution, weakening the power of content creators.**

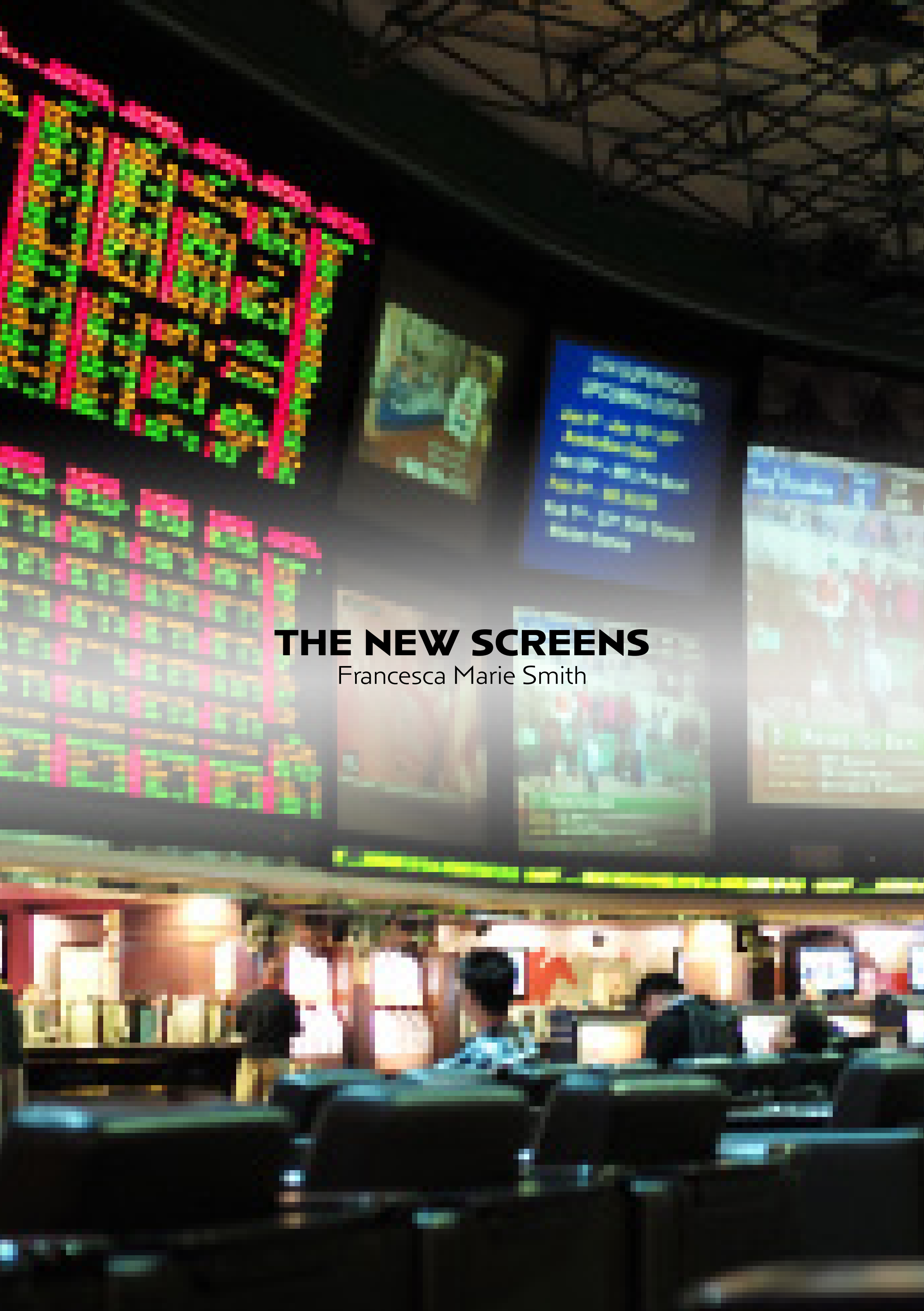
Assuming net neutrality is enforced, ISPs could not charge preferential pricing and slow the flow of content. As a result, the five existing powerhouses could continue to dominate the industry and expand their control through strategic acquisitions and partnerships. For the average content producer, this would create an unfriendly environment that would force content producers to consolidate in order to shift the balance of power.

Scenario 3: **Content producers strengthen their relationship with their fans.**

Assuming government regulation firmly establishes net neutrality, content producers could strengthen their direct-to-consumer channels by deepening their relationship with their fans. Developing a data mining and analytics strategy would help media companies identify who their fans are, what platforms they view, and how they interact with certain types of content. Through understanding their behavior and communicating directly with them on social media or through a website, content producers can identify and monetize niche segments.

Conclusion

The digital revolution has given media companies the unprecedented ability to scale content, connect with audience segments, and monetize content. Content creators even have the power to bypass traditional distribution channels by identifying and establishing a strong, direct relationship with their audience. However, the industry has also grown incredibly fragmented due to the flood of new entrants ranging from creators to distributors. In this chaotic environment, Apple, YouTube, Netflix, Facebook, and Amazon strongly impact what content gets seen, who sees it, and the price they pay to do so. As content creators become more sophisticated in their data analysis, they can strengthen the direct-to-consumer channel and upset the existing power structure. But the role of the major Silicon Valley players is not to be underestimated. Given that, as of December 31, 2015, Alphabet's (GOOG) Market Capitalization was $262 Billion and Viacom's was $14 Billion; that Apple's market cap was $587 Billion and Time Warner's was $52 Billion,[33] it doesn't take a genius to understand where the market power lies. Thus the future of the traditional Hollywood studio may be to rethink their organizations into lean, nimble players, open to sell content to anyone and able to move quicker than the Silicon Valley giants.



THE NEW SCREENS

Francesca Marie Smith

The digital revolution brought with it a wave of new technologies (like the Internet) and practices (like over-the-top content and Web 2.0 business models) that fundamentally changed the face of the media and entertainment industry. One of the simplest ways of conceptualizing these changes is by looking at the screens that characterize our daily lives: audiences who once gathered around a television set in the living room or kitchen and occasionally treated themselves to an outing at the movie theater now find a whole new assortment of screens awaiting them at every turn, from their desktop computers and mobile displays to interactive kiosks and dynamic billboards.

In more recent years, we've seen the influx of New Screens that bring us even closer to the realm of science fiction, with virtual reality headsets, wearable devices like Google Glass and the Apple Watch, and a rapidly growing Internet of Things changing the ways we play, learn, work, and live. What's more, these ever-present and ever-connected devices allow content creators to both *push* content to and *pull* data from users with greater frequency and finer granularity than ever before. As the media landscape becomes populated with more and more screens, and new streams of data are unlocked, we have at our fingertips quite literally a whole world of possibilities for creating customized, ubiquitous media experiences—but we also face a new set of challenges to overcome as well.

As technology has changed, so too have audiences. They've become increasingly *distracted*, *discerning*, and *demanding*: their attention is frequently split as they move fluidly between various devices, often managing multiple screens at the same time;[34] they have access to an unprecedented catalog of content, granting them the luxury of choice and inviting them to develop finely tuned tastes when it comes to their media consumption; and, although there is still some friction in the media ecosystem, the realities of on-demand viewership have stretched so far that audiences can reasonably expect to access nearly any piece of content, on nearly any device, at nearly any time and at a relatively low cost. Their expectations are high, and in a flooded media marketplace that, while perhaps ultimately unsustainable,[35] nonetheless offers viewers an embarrassment of riches across myriad networks and platforms,[36] they can afford to be picky—and it's understandable that they would be frustrated when their expectations are not met.

Of course, this isn't to say that modern audiences are purely antagonistic or overly judgmental, nor that their allegiances are always tenuous; even if they are likely to flit from screen to screen and from one bit of content to another according to their whims, they are just as likely to binge. The implication, then, is that in some ways audiences can be more dismissive of media content than they have in the past, yet once they choose to care about something, they'll dive in more fully (and want more ways to engage) than they ever have before. In this reconfigured media and entertainment industry, the risks for creative professionals and executives may be daunting, but the potential rewards are also promising.

How, then, can content creators navigate the brave new world of the New Screens, crafting enriched media experiences while also fostering sustainable profits?

Let's start by identifying three core characteristics that help drive media success (for entertainment programming, advertising, or any other type of content) using more traditional technologies:

1. **The spark of novelty**
   Although there's something to be said for timeless storytelling, and although there's a fine line between a hook and a gimmick, it's also true that—particularly in an age where audiences are bombarded with media options—novelty is a simple way to pique interest. Take, for example, the highly successful marketing campaigns surrounding

HBO's *True Blood*, beginning with a pre-launch initiative delivering beautifully packaged samples of "synthetic blood" and other mysterious artifacts to influential horror bloggers.[37, 38] Though it was likely the show's consistent high quality that made *True Blood* a long-term success, creative marketing that capitalized on novel strategies and unconventional messages (and ultimately inspired 1.5 million viewers to tune in for the series premiere)[39] certainly helped.

2. An invitation to get involved

It's important to remember that fans will always find ways to engage (emotionally, if nothing else) with their favorite show, team, or character, regardless of what official avenues are provided for them to do so. That said, shows like AMC's *The Walking Dead* have done an incredible job inviting their fans to become part of their storyworld via apps like "The Walking Dead: Dead Yourself" and even a so-called Zombie School where people can train to be extras on the show. Other shows might ask audience members to decide how a story will unfold (like the recent CBS reboot of *Hawaii Five-0* did, letting the Twitterverse determine whodunit and thus select which season finale would be aired).[40] However the invitation is offered, audience members will often be quick to come play—and they'll often build stronger, more meaningful relationships with a property or creator as a result.

3. Serendipity, or the right content in the right context

This characteristic requires perhaps the least amount of explanation; it's been one of the ultimate goals guiding advertisers and broadcasters alike

> since the dawn of the modern media age. That said, the idea of serendipity may now be more crucial than ever before. Amidst a rising cacophony of media messages coming at us from nearly every angle, the most successful content will be that which is most meaningful for its audience: relevant, fitting, and worthwhile, without feeling like an invasion. Advertising has become adversarial, with consumers consistently trying to find ways to avoid the relentless pursuit of marketers by employing, for example, ad-blockers (which then inspires the creation of additional software designed to allow marketers to bypass these ad-blockers and thus counter this countermeasure).[41] Other defensive strategies might include the use of DVRs that allow viewers to skip ads, or subscriptions to ad-free streaming services like Netflix and Spotify Premium. Simply put, the days of the captive audience are over, making it more important than ever to build a respectful relationship between creator and consumer that offers *mutual* benefit.

Of course, the roads to success are many and varied; it's certainly possible to identify and imagine media success that eschews the New Screens altogether (and, indeed, disregards the goals outlined above). However, for the savvy creator looking to explore all the opportunities afforded by the present media moment, the New Screens offer a whole new world of possibilities that push these three trajectories to a different level entirely. In addition, these characteristics serve as useful standards to help us evaluate new technologies as they appear.

To answer our initial question, then, the technological affordances of the New Screens—including mobile and wearable devices, immersive virtual reality headsets, and a whole world of smart and connected objects—offer content creators unique opportunities to serve the basic human desires for *novelty*, *involvement*, and *serendipity*.

The Potential of the New Screens

Novelty

By definition, the New Screens are nothing if not novel, and just as every new device from the Kinetoscope forward has seemed to shimmer with the promise of the future, today's virtual reality goggles and watches we can talk to continue to capture our sense of wonder. As a result, creators who can make use of things like Microsoft's HoloLens, the Oculus Rift, and other shiny new toys have an inherent advantage over those who rely on more mundane technologies like the television screen.

The Future of StoryTelling (or FoST)—which is centered on an annual summit but also features short films, ongoing talks, a traveling museum exhibit, a competition for innovative storytelling, and more—highlights examples of such novel storytelling;[42] consider, for example, the Google Virtual Cube film that switches between narrative threads as you flip between different faces of a physical cube, or *Goldilocks and the Three Bears: The Smelly Version*, which includes puffs of scented air that complement your reading of the classic tale. But the lesson to be learned from the FoST showcases is more nuanced than it might seem: while there is a certain amount of novelty to be gained from porting content to an exciting new platform, the real spark happens when we see new types of stories or experiences that are only made possible by these new technologies.

The Lighthouse in the Woods, a prototype developed at the Annenberg Innovation Lab, explored this concept on two levels.[43] AIL's Geoffrey Long used the Oculus Rift and Unity to create a virtual reality ghost story, featuring dynamic portraits on the walls of a study that fade to darkness as the characters they represent meet a grim demise, yet become illuminated once more as each character returns to haunt their family. On one level, the *Lighthouse* prototype shows how a "smart home" featuring connected photo frames or multiple screens hung on the wall could be used to create a unique storytelling experience, changing the audience's environment in subtle (and novel) ways to augment or express components of a narrative. On another level, Long used the virtual reality environment to demonstrate how creators could prototype these sorts of dynamic environments without needing to actually build them in the real world. Both concepts highlight the unique attributes of a medium—the ability to manipulate a living space for narrative ends and the ability to virtually playtest a narrative environment—in a way that goes beyond basic novelty, instead cultivating an experience that is more or less unique to the technology in question.

As we consider ways to design new media content for the New Screens, then, we should ask ourselves at every turn what stories we're able to tell with this technology, and what new angles, sensations, plot structures, or other narrative elements are now available to us. Remember: *the novelty of the New Screens lies not only in the strangeness of the technology, but also in the new kinds of experiences that are made possible*.

Involvement

Many of the New Screens incorporate touch, voice control, and other sensors that enable them to be inherently interactive. FoST, for example, has highlighted experiences that use iPads, facial recognition, and Microsoft Kinect sensors to let people control the action. Often times, these experiences blur the boundaries between stories and games, as the audience/players can actively shape the unfolding of a story by performing certain tasks or making certain choices.

While interactive interfaces provide one mechanism by which audiences can get involved in a media experience, we can also consider another type of involvement: how might a constellation of new (and old) screens invite audiences to follow narrative threads from medium to medium, putting together the pieces of a synergistic storyworld? This is the basic precept behind transmedia storytelling,[44] a concept that is not necessarily new, yet can certainly take on new life in the context of ubiquitous media.

Lastly, the concept of participation—in the sense used by Henry Jenkins[45]—suggests a third, more socially oriented layer of involvement. As audiences consume, reflect on, react to, and share media content, they may well rely on technological resources (like those that allow for interactivity) and narrative resources (like those provided in a transmedia storyworld), yet they can also make use of cultural and communal ones via the act of participation—in other words, although we often engage with machines and stories, we also engage with one another. Especially as we think about ways to encourage and support all the various facets of engagement identified here in our chapter on New Metrics and Measurement, a consideration of the technological, narrative, and social layers of involvement may serve us well.

The Annenberg Innovation Lab's prototype of tangible storytelling using 3D printing and augmented reality, spearheaded by Geoffrey Long in collaboration with BC "Heavy" Biermann and 20th Century Fox, illuminates the possibilities of involvement in each of these three senses of the term.[46] For this project, the team imagined a storytelling experience in which fans of FOX's *Sleepy Hollow* series would, after watching the show, receive pieces of a 3D printed puzzle (or plans that would allow them to print the puzzle pieces on their own) corresponding to a sigil that was part of the show's storyworld. The fans would need to successfully assemble the puzzle, then capture the completed sigil using the camera on their mobile phone or another imaging device; doing so would unlock additional video content that would appear on top of the completed sigil via augmented reality. Depending on how such a project were deployed, it could tap into each of the three types of involvement discussed above: downloading, printing, assembling, and then capturing the sigil via some sort of app to unlock content might represent interactivity; any new and unique parts of the narrative world revealed during this process might be indicative of transmedia storytelling; and, if the pieces were all distributed to different fans who would then need to work together to solve the puzzle, we might also see participation at play.

The examples described here, however, are really just the tip of the iceberg. In terms of interactivity, the New Screens offer incredible opportunities with an increasing array of touchscreens and sensors that allow users to influence their experience based not only on their explicitly expressed preferences, but also on things like their location, their activity, and even their physical reactions (including galvanic skin response, brainwaves, and facial or eye movements), calling on us to rethink what it means for an audience to interact with media. Thoughtful transmedia storytelling and socially oriented experience design can make use of any and all of these technologies, as well, guided by keen observance to the principles of novelty outlined above, while also considering the last of our three key media characteristics: serendipity, or the right content in the right context.

Serendipity

The element of serendipity represents what might be the greatest challenge associated with the New Screens: with so many diverse platforms available, how can creators make sure that their message is appearing in the right place at the right time, and in a way that resonates with people? Certainly, media producers have long directed their messages towards carefully selected demographics, deploying content and campaigns specific to a given medium and targeting particular time slots or regions in hopes of reaching their chosen audiences. Yet the contemporary media environment allows for—and, indeed, calls for—a more refined approach, with uniquely appealing content that can respond to the nuances of a given situation and that fits neatly into a growing ecosystem of devices. As media producers strive to get the right message to the right person, they also need to be thinking about how to identify the right moment, the right mood, the right location, and the right screen.

A strategic approach to serendipity may well depend on newly available sources of data along with sophisticated understandings of audience behaviors and the specific features of a given context. To begin with, the Annenberg Innovation Lab's Leveraging Engagement model (described in this book's chapter on New Metrics and Measurement) helps us understand audiences—and data—in a way that moves beyond simple demographics focused on things like age and gender, considering instead things like motivations and contextual triggers. This sort of framework can help jumpstart a discussion of the various factors that might shape people's behaviors and desires in different settings, as well as the media and screens that are most helpfully employed in these environments. The sensor technologies and interactive interfaces discussed above are also useful when thinking about matching content to context and helping people connect to the media that fits them best in any given moment. Delivering content based on people's location, for example, is becoming an increasingly viable (and potentially elegant) solution, thanks to platforms like Motive[47] and Mixby,[48] along with Bluetooth Low Energy technologies like iBeacon or Annenberg Innovation Lab research supporter Estimote. Of course, while the data from, say, a GPS-enabled mobile device can help make these matches by calculating or predicting the most appropriate content for a particular situation, a voice command or a few taps on a touchscreen can provide more direct input about the media that someone truly wants to access. In each of these cases, New Screens can work in concert with various types of data to orchestrate a serendipitous fit between media messages—whether stories, advertising, or something else—and potential audiences.

It seems, then, that picking the right screen (or at least an appropriate screen) in an increasingly diverse ecosystem of available displays might entail a consideration of a user's preferences, activity patterns, and location or environment, but it also involves at least a recognition of the unique media affordances of a given device (as explained in our earlier discussion surrounding novelty). Take, for example, the troubled history of Google Glass. Glass project lead Thad Starner penned an eloquent manifesto outlining his intentions for the Glass interface,[49] suggesting that the device wasn't intended to impede users' connection to the real world, but could instead make it *easier* for us to stay in the moment by offering us quick, limited access to essential information. His argument was essentially that "wearing tech on our bodies actually helps it get out of our way," allowing us to stay connected to the updates and resources that are important to us while removing the urge to pull out a smartphone or laptop and get lost in the screen. For this idea to work, devices like Glass would need to be designed around what Starner called "microinteractions," which "are the social equivalent of checking time on a wristwatch: noticeable, yet fast enough to be minimally disruptive." Glass was built with microinteractions in mind; thus, when users, designers, and the general public expected or demanded that Glass be something that it wasn't designed to be, problems naturally arose.

All that said, one of the core principles of innovation involves using technology and other resources in unexpected or unintended ways—even though Edison envisioned the phonograph as a tool used primarily for dictation in an office environment, its real value ended up being something quite different. That's why it isn't always a bad thing to consider the intended uses and media affordances of a given technology, while also being willing to think outside the box, exploring what else might be possible (perhaps with some modifications). At the Annenberg Innovation Lab, we undertook two projects using Google Glass that may not have fit precisely into the "microinteraction" mold, yet they nonetheless revealed new potential for personal ocular devices like Glass, Microsoft's HoloLens, or whatever else lies ahead.

Geoffrey Long, Aninoy Mahapatra, and I collaborated with the Global Event and Media Accessibility Initiative (or GEMAI) on two projects exploring the possibilities of the New Screens: Augmented Storytelling[50] and Augmenting Accessibility.[51] Both prototypes were rooted in the idea of taking a social experience—like watching a movie with friends or family on a shared screen—and then adding custom layers of information on each viewer's personal screen that could be juxtaposed with or even superimposed on top of the main screen's content. In this way, the experience would have the potential to be asymmetrical (or different for each person) and hyperpersonal (conforming to the specific wishes or needs of a viewer without influencing or disrupting the experiences of those nearby), yet synchronous (occurring in a shared window of time) and, ostensibly, social. For the Augmented Storytelling prototype, we took the Warner Bros. film *Sherlock Holmes*, played it on a standard television screen, and made it possible to access synchronized clips of Guy Ritchie's director's commentary via Google Glass, meaning that a viewer who was familiar with the film (or just curious about its production) could access these additional bits of information in a way that wouldn't impact other viewers. Augmenting Accessibility took Cameron Covell's short film *Run With Me* and allowed people to experience the film on a desktop display, laptop screen, or smartphone while also selecting one of three additional content streams to be sent to their Glass device: English-language captions, a descriptive audio track, or a proprietary SliverWindowASL video stream (designed by GEMAI's Marc Bovee) featuring an American Sign Language interpretation of the film.

With certain Glass hardware elements primed for microinteractions rather than prolonged, layered experiences—the potential we were trying to tap into—we understood that these prototypes could only go so far; nonetheless, the projects pointed to the potential value of these kinds of asymmetrical, hyperpersonal, synchronous experiences. To begin with, the accessibility implications are phenomenal, opening up the possibility of social experiences incorporating diverse audiences that might prefer or need different languages or sensory input. In addition, these types of layered experiences might allow certain audience members to receive, for example, a certain set of clues in a mystery, or a certain character's perspective, inviting them to later compare notes with other audience members to piece together a more complete version of the story.

These prototypes illustrate the value of serendipity: choosing devices that offer unique advantages (like hyperpersonal visual or audio streams that can be layered with other, shared screens) and tailoring content to users' particular desires, needs, or situations. To some extent, increasingly rich streams of data (including those provided by sensors and by interactive input) can help us achieve these goals, but considerations of context, audience preferences, and media affordances are also key.

The Ethics of the New Screens

As we think about these increased opportunities to foster carefully tailored media experiences across a spectrum of devices, questions of ethics loom large. Doc Searls has written about "a blindered mania around Big Data," in which media creators, drunk with power and myopic in their quest for more finely targeted content delivery, overlook the human element in all of this: is this data being given freely, or do people feel manipulated, and are simply "resigned" to their fate?[52] Searls predicts "the coming collapse of surveillance marketing" as users become equipped with more powerful (and appropriate) mechanisms to protect themselves from digital coercion. We might be tempted to assume that people are willing to give up their privacy in exchange for more efficient or customized experiences, but the numbers Searls cites indicate that this is far from a foregone conclusion: 55% of respondents in one study disagreed with the idea that "it's okay if a store where I shop uses information it has about me to create a picture of me that improves the services they provide for me." That number jumps substantially when we consider surreptitious data collection, with 91% of those who filled out the survey indicating that it wouldn't be right for a company to gather information without their knowing about it—even if this data collection resulted in a discount on their purchase. Perhaps most tellingly, 58% expressed both a desire for control over data collected about them online and a belief that, in actuality, they "have little control over" this information.

So if there is value in using algorithms or other curatorial mechanisms to help audiences find appropriate content and avoid the problems associated with "the paradox of choice"[53] in a rapidly expanding media landscape, what do we do? Certainly, many of the strategies at the heart of our contemporary media ecosystem rely on legally-yet-surreptitiously collected data; what would it look like for industry leaders to change the way they do business, to get out of the surveillance marketing game before it comes crashing down around them, and to use new technologies to build respectful relationships with audiences—even symbiotic ones—that allow users to make choices and express wishes, rather than be unwilling sources of data and targets of marketing? It's a question of morality and social responsibility, but also one of business strategy (because, as Searls points out, customers will ultimately be empowered to reward those businesses that treat them will "full respect" and penalize those that do not[54]), and it has deep implications for how we think about and make use of the New Screens.

The Next New Screen

One more paradoxical provocation merits our attention: although it's inspiring to consider the potential of smart watches, augmented reality glasses, and virtual reality headsets, the next

New Screen might actually be no screen at all—an observation I initially made at SXSW Interactive in 2015 but have since seen supported by, for example, analysis from H. James Wilson and Paul R. Daugherty in the *Wall Street Journal*.[55] In an age of ubiquitous media, with myriad linked screens all around us, our experience often transcends any one device. Moreover, we seem to be entering an era of *worldblending*: the screens, new and old, are still there, but they're becoming increasingly conversant with and reactive to elements of the physical world. There's media, but there's also more, meaning that in some ways we're returning to more timeless practices of communication and interaction, infused with an element of subtle, digitally powered finesse. Partially, this means that we're connecting to our media and our ecosystem of devices through invisible interfaces (consider Amazon's Echo or the automated responses described by Wilson and Daugherty), or embracing the idea that "AI is the new UI."[56] Partially, this means that we're rediscovering the real world, as Google and Niantic have helped millions of people do via their geo-mobile game *Ingress*. Other developers are experimenting with different ways of mixing tangible objects with digital content—smart toys that can react and evolve thanks to computer processing power and network connectivity, for example.[57] Companies like Microsoft are setting out to harness the power of "mixed reality,"[58] which has implications for entertainment as well as productivity, design, and more.[59] Magic Leap generated an astounding amount of hype around the idea of mixed reality with only the most minimal hint of their vision: a video snippet showing a tiny, ostensibly digital elephant in a child's cupped hands[60] (although the hype surrounding their technology was cranked up yet another notch when word got out that the company had submitted an application to patent "a contact lens built for augmented reality," bringing us that much closer to the world of science fiction[61]). Our colleagues at USC's World Building Media Lab are exploring similar ideas, as are our associates at Disney Consumer Products (with their suite of Playmation toys), Biba (with their mobile app linked to playground equipment), and SAGA (with their ioTHEATRE platform designed to connect dozens of different physical sensors and smart objects in a digital storytelling platform).

At the Annenberg Innovation Lab, we've also been playing with the link between the real world and the digital. The aforementioned *Sleepy Hollow* prototype represented one way of knitting together these two realms (by superimposing digital video content on top of a physical object, and by using that object as a key to unlock the digital layer), but a second project, called "Tangible Storytelling + Play + Learning" and headed up by Alisa Katz, took a different approach. Alisa and her team (which included Erin Reilly, Geoffrey Long, Aninoy Mahapatra, Daniel Burwen, Mitchel Thompson, and Shane Reilly) built a prototype of a dynamic transmedia experience by connecting a set of handcrafted wooden creatures called Winklebeans, which they'd equipped with magnetic appendages and electronic insides, with a digital story app that would change and progress based on how one played with the Winklebeans.[62] Both prototypes showed the power of mixing the digital and the physical in compelling ways, suggesting that creators thinking about the New Screens might be well served to think about things that, in fact, aren't really screens at all.

Looking Forward

Moving into the future, we continue to face exciting prospects for New Screens, new technologies, and new interactions that can change the way we tell stories and access content. So what can we look forward to? We can look forward to (or work towards building) an increasing web of fibers connecting the New Screens with the old, and with the world around us, as standards and interfaces evolve to make our media experiences nearly seamless. As we do so, we might recognize that some stories work best as singular or encapsulated experiences in one particular context or medium, while also playing with the possibilities of fluid or dynamic stories that follow the user, capturing the unique affordances of different moments and different devices. We can rethink media strategies to invite involvement and strive for mutual benefit and respect rather than relying on more adversarial models of audience capture or intervention; we can use data, sensors, algorithms, and user input to facilitate control and customization; and we can work together to find a balancing point between audiences' desires and creators' wishes. Perhaps most of all—even as we appreciate the power of the old and new screens alike—we can look forward to the next generation of New Screens, and the ones beyond that, as each new technology offers new opportunities that can spark our imaginations, recalibrate our understandings of novelty, involvement, and serendipity, and inspire us to reevaluate what it might mean to communicate.

Many of the ideas in this chapter were inspired by, developed for, and refined during the Annenberg Innovation Lab's Think & Do event focused on "Re-Envisioning the Home TV Experience";[63] *a panel discussion at the 2nd Screen Society's 2nd Screen Summit at CES 2015 featuring AIL's Jonathan Taplin, Geoffrey Long, Erin Reilly, and Francesca Marie Smith discussing "Innovations in Storytelling and Media";*[64] *and a session at SXSW Interactive 2015 with Alisa Katz, Francesca Marie Smith, and Geoffrey Long speaking about "Storytelling with the New Screens."*[65]

THE NEW CREATORS + MAKERS

Geoffrey Long, Rachel Joy Victor, Lisa Crawford, Malika Lim, and Juvenal Quiñones, with Ritesh Mehta and Anna Karina Samia

Introduction

Ask most people over 25 who PewDiePie is and you'll get some blank stares, but the biggest star on YouTube has more followers than Taylor Swift, Beyoncé, and Rihanna, and his Q Score, an amalgamate measurement of popularity and likeability, is higher than any Hollywood star among 13- to 17-year-olds.[66,67,68] PewDiePie's videos—most of which feature the 26-year-old playing and exaggeratedly reacting to video games—totaled over 11 billion views as of February 2016, earned him $4 million in 2015 and generated a net worth valued at upwards of $12 million.[66, 67] PewDiePie's stardom has been met with skepticism, confusion, and hand-wringing concern by the "traditional" media industry—*Variety* called him a "gibberish spouting clown" —but he may represent what it means, and what it takes, to succeed in entertainment today.

From 2013 through 2015, the Annenberg Innovation Lab studied dozens of successful "New Creators + Makers" releasing their own movies, TV shows, books, video games, comics and more, and what we found can be used by both New Creators and Makers and established companies and brands to succeed in this new landscape. Common factors of success largely fell into three categories—*Creation + Community, Distribution + Monetization,* and *Education + Collaboration*—with a super-trend towards a more continuous, intimate *relationship* between creators and audiences, more *authenticity in forging the creator-fan relationship, transparency about how content is made and what fans are paying for,* and *increased collaboration between creators.* The driving principles of the new creative revolution are *openness* and *sharing* in an ecosystem no longer populated by media royalty and adoring masses, but by members of *your* community who have succeeded and want to bring *you* along and help *you* succeed too.

Creation + Community

New Creators and Makers not only create differently, they maintain their audiences differently too. Their creations are less polished, they create their works in public, they frequently emerge as members of underserved communities, and they begin by making friends, not just "fans," then continue to build those friendships throughout their careers. This emphasis on relationships may mean audiences are more likely to be more deeply engaged in—and commercially and emotionally invested in—the New Creators and Makers' success over longer periods of time.

Less Polished Creations

Since forming Pomplamoose in 2008, Jack Conte and Nataly Dawn have embraced new forms of musical distribution, including selling music exclusively online and emphasizing YouTube "VideoSongs" over live performances. These VideoSongs, a mix of playing to a webcam and handmade special effects, embody Pomplamoose's philosophy of authenticity and openness, as evidenced by their stated rules: "1. What you see is what you hear (no lip-syncing for instruments or voice). 2. If you hear it, at some point you see it (no hidden sounds)."[69] Their cover of Bruno Mars' "Uptown Funk," for example, was a Gondry-esque puppet show that ended with handmade puppets of Conte and Dawn thanking their fans directly.[70] Far from feeling unprofessional, this deliberate DIY aesthetic makes the band feel all the more authentic. In an interview with NPR, Dawn says that labels may still have a role to play, but it's becoming easier for bands to succeed with a more DIY approach. "If, for example, you're somebody who writes songs, like Lady Gaga, and you need everything that's gonna make you Lady Gaga, YouTube's not gonna be able to do that. You need a big fat label. But if you're just a band, I don't think we're in an era anymore where you need that sort of major backing... People think that all of these things have to be done by geniuses behind huge desks or at the top of skyscrapers, but you can just go online and do it yourself."[71] It's working for Pomplamoose: the band's 87 YouTube videos have been viewed over 110 million times by their over 450,000 followers.[72]

Create in Public

No New Creator and Maker has likely benefited more from "creating in public" than Palmer Luckey, the founder of the virtual reality headset-maker Oculus. As a teenager Luckey took classes at California State Long Beach and worked as a lab assistant at the University of Southern California's Mixed Reality Lab in a group developing low-cost immersive viewers.[73] At 18 Luckey used what he'd learned to create his first prototype in his parents' garage, posting regular updates on MTBS3D—a website frequented by stereoscopic and virtual reality enthusiasts. This work was noticed by John Carmack, co-creator of the games *Doom, Quake* and *Wolfenstein 3-D,* and Carmack requested a prototype.[74] Before long, it was announced that *Doom 3 BFG Edition* would be compatible with head-mounted displays, and at the 2012 Electronic Entertainment Expo (E3) a demo version of *Doom* was running on a modified version of Luckey's prototype with Carmack's software.[75] On August 1, 2012, Oculus VR launched their Kickstarter campaign for the Oculus Rift— "the first truly immersive virtual reality headset for video games"—with backers who pledged at least $300 receiving a prototype headset. By the end of the Kickstarter campaign, the Oculus Rift had over 10,000 backers and had raised over US$2.5 million.[76] In March of 2014, Oculus VR was sold to Facebook for US$2 billion, arguably jump-starting the latest virtual reality craze.[77] By sharing his early prototypes on the MTBS3D forums, Luckey began building a reputation for himself extremely quickly, attracting the attention of precisely the people he needed to in order to build a robust developer community. Keeping his prototypes public attracted the mentorship of John Carmack, who eventually became Oculus' CTO and without whom Luckey most likely never would have succeeded at such astronomical levels.

Begin as Members of (Underserved) Communities

"Find an underserved community and satisfy its demands" is a time-honored strategy, but many New Creators and Makers are emerging from those communities themselves. Michelle Phan is a Vietnamese-American entrepreneur who became famous in 2007 at age 20 by creating YouTube video makeup lessons for other young women. "I didn't relate to a lot of people at my school, so I went online and found my community," Phan told *Mochi* magazine. "I built this amazing relationship with my community and I felt like they were my friends."[78] When her first video, a tutorial on natural-looking makeup, received over 40,000 views, Phan knew she was onto something. She continued making videos, largely in response to requests posted by her followers, and in 2008 she joined YouTube's Partner Program.[78] In 2009 and 2010, Buzzfeed features on several of Phan's videos put Phan's followers over the 1MM mark, and in 2011, Phan began to parlay her YouTube success into other ventures by co-founding Ipsy, "the world's largest and most passionate online beauty community."[79] In 2012, Phan was offered $1MM by Google to produce 20 hours of content, followed by an offer in 2013 from L'Oreal to launch her own makeup line, which bills itself as "the first makeup line co-created by a community of beauty lovers and a beauty expert."[78, 79] In October 2014, Phan published her first book, *Make Up: Your Life Guide to Beauty, Style, and Success—Online and Off*. In 2015, Phan partnered with Endemol Beyond USA to launch ICON, a premium lifestyle network and "online global destination for the empowerment of viewers through inspirational premium content, conversation, and community" serving "a multi-cultural demographic"; Ipsy was valued at over $500MM with "over 1,000,000 subscribers in the U.S. and Canada," placing Phan on *Forbes'* 2015 "30 Under

30" list; and Ipsy launched an Open Studio program, a not-for-profit initiative offering studio space, networking opportunities, hardware, software and coaching. "We want to give back to our community because our company was built by the community, so we want to maintain that relationship," says Phan.[79, 80, 81] As of this writing, Phan's YouTube account has over 8.3MM followers and over 1.2B views.[82]

Another example is Carlos Portugal and Kathleen Bedoya's *East Los High,* a racy, all-Latino original Hulu series that mixes telenovela-esque teen drama with socially-relevant content targeted at the highly-coveted yet underserved Latino 18-24 demographic.[83, 84, 85] During the writing process, screenwriter Evangeline Ordaz invited over 200 young people from the target Hispanic areas to review the scripts and act as background extras in the series.[86] While Hulu does not release viewership numbers, sources indicate *East Los High* is popular with women 18-35, a top show on Hulu for Latino viewers, and, one of the top 10 shows on Hulu during its premiere month, performing as well as or better than such hits as *Grey's Anatomy* and *The Daily Show with Jon Stewart.*[84, 87]

Key Insights: Making Friends, not just "Fans"

The success of many top-earning New Creators and Makers like PewDiePie isn't due to production values (their early videos are often shot on phone cameras), but a strong sense of authenticity and community—a rapport between creator and audience that feels more like making *friends* than making fans. This type of relationship can be difficult to replicate for corporations; genuine relationships forged on authenticity cannot simply be bought.

YouTube's Original Channels Initiative sought to increase its "quality content" via funded channels for well-known brands, targeting public figures like Madonna, Shaquille O'Neal and Deepak Chopra and traditional media companies like Lionsgate and Reuters. With the channels set to release a combined total of 25 hours of new original content daily, YouTube hoped to create good content for Google TV users, as opposed to the "lower quality" user-generated videos on YouTube at the time. It didn't work because while high levels of polish may be appropriate for platforms like Hulu or Netflix where original content needs to go toe-to-toe with prime time television offerings, *YouTube is not television.* Hank Green of the Vlogbrothers (one of YouTube's most successful creators who also received funding through the Initiative) stated that while he was grateful for the funding, as it enabled him to create some education-themed channels that may not have been viable otherwise, most brands would never be able to earn back the advance they invested. "Spending more money to produce the same number of minutes of content does not increase viewership," Green wrote. "Online video isn't about how good it looks, it's about how good it is. People who make online video are much better at making online video than people who make TV shows. This probably seems obvious to you (it certainly is to me) but it apparently was not obvious to the people originally distributing this money."[88]

Successful YouTube stars like PewDiePie and Michelle Phan have more authentic, organically-grown relationships with their audiences which are deeper, more personal, and, eventually, are what translate into direct action and impact. For many corporations and brands, authentically creating friends and fans may come down to being more personal, and more personable. "Creating in public" is a practice more brands are embracing, ranging from the behind-the-scenes design videos posted by companies like MINI or the "inside the studio" Instagram accounts from such artisan brands like Hard Graft or Thisisground,[89, 90, 91] and many brands grow up around the public faces of their founders, like the ice cream empire of Ben Cohen and Jerry Greenfield. This can be extraordinarily difficult to balance with the demands of big business, especially when a business is sold or otherwise evolves. Just as with interpersonal relationships, such changes can be perceived as betrayals by both fans and internal employees, as seen in the widespread unease when Unilever bought Ben and Jerry's in 2000.[92]

Distribution + Monetization

New Creators and Makers rely on a mix of New Screens and New Funding and Business Models (with many of them developing hybrid models using both self-published platforms and partnerships with traditional platforms), building their businesses around these more personal relationships. Many of the most successful ones go on to create new platforms to enable others to succeed, as opposed to simply creating their own studios or labels.

Alternative Funding and Distribution Channels

While Rob Thomas' TV series *Veronica Mars* was cancelled in 2007, it was dearly beloved by a small but dedicated fanbase, receiving praise from fans, critics, and creative luminaries such as Joss Whedon.[93, 94, 95] Rumors of a potential film to wrap up Veronica's story circulated for some time, finally culminating in the launch of a Kickstarter crowdfunding campaign for the film in 2013.[93] The campaign, spearheaded by Thomas, managed by audience engagement specialist Ivan Askwith, and promoted heavily on social media by its eventual star Kristen Bell, sought $2MM and netted an extraordinary $5.7MM from over 91,000 donors.[96, 97] Presumably donors contributed because of their love for *Veronica Mars,* but Thomas sweetened the deal by offering funders everything from a small role in the film (for a single specific bid) to a free digital download of the finished product.[98] The project was not without criticism—some observed that crowdfunding is more appropriate for fledgling creators who have not yet had mainstream exposure, or that crowdfunding shouldn't be used by studios to save money on films they can afford to finance.[99, 100] Further, there were glitches in delivery of some rewards: Warner Bros. furnished a refund to donors when the promised digital download of the film failed to work.[98] The outcome, though, was heartening for fans and creators of beloved series that may warrant a comeback, demonstrating that there are options beyond the traditional studio model.[99] (See AIL Chief Advisor & Senior Research Fellow Henry Jenkins' blog for a detailed multi-part discussion of *Veronica Mars'* wider implications.[101])

Be Hybrids

Many New Creators and Makers have found the best choice between emerging self-publishing platforms and traditional publishing options is a mix of the two. Author Hugh Howey got his start when a traditional small publisher, Norlights Press, released his young adult novel *Molly Fyde and the Parsona Rescue* in 2009.[101] "I enjoyed working with a small press and an editor, but I wanted to move at a faster pace and figured I could do the pagination and marketing on my own," Howey says. "So I struck out as a self-published writer with no real dream beyond selling anything more than a few hundred copies and possibly entertaining some friend"[102] In 2011 Howey released a short story using Amazon's Kindle Direct program, which turned into a series, which then turned into Howey's first big hit. Soon *Wool* was making Howey six figures a month.[103, 104] "I started getting calls from agents, publishers, film companies, and TV studios," Howey told *Wired* in March of 2012. "I finally caved and signed with a literary agent, but my expectation is that nothing will come of it... A traditional publisher would have to detail a plan to really broaden my readership while allowing me to retain a lot of the freedoms I've come to appreciate."[102] Three months later, Howey signed an extraordinary mid-six-figure deal with Simon & Schuster that licensed them only the print rights to *Wool*, after having turned down some seven-figure offers.[105, 106] "I had made seven figures on my own, so it was easy to walk away," Howey told

The Wall Street Journal. "I thought, 'How are you guys going to sell six times what I'm selling now?'"[106] What changed his mind was realizing what traditional publishing could do that he couldn't. Howey's agent sold the series in 24 foreign countries, including a high-six-figure deal as a result of a bidding war in England; 20th Century FOX and Ridley Scott *(Alien, Blade Runner)* obtained the movie rights; and Imperative Entertainment *(Heroes Reborn)* obtained the TV rights.[106, 103, 107] According to Howey, "I still consider myself a self-published author. Someone's just printing the physical copy of what I've already done in e-book form. And with all the books I've released since then I've gone straight to self-publishing. No part of me wants to query or wait for a publisher to do anything. I'm just going straight to the reader."[104]

Start Platforms, Not Studios

When entrepreneurially-minded artists succeed, they often create their own studios or record labels. Some New Creators and Makers, however, are opting to create platforms to help others succeed. Jack Conte of Pomplamoose realized that while Kickstarter was great for one-off projects it wasn't a good solution for artists seeking a more regular source of income, so he co-founded the subscription-funding service Patreon. Like Kickstarter, Patreon offers users different tiers of patronage, with different rewards for different tiers and the option to limit the number of people in each tier, but unlike Kickstarter Patreon "patrons" can send any dollar amount they wish to their favorite creators whenever a new piece of content is released or according to a particular schedule. By February of 2014 Patreon had more than 30,000 users, and by October of 2014 Patreon had over 125,000 users and was generating over $1MM a month for its creators.[108] By August of 2015, Conte's personal Patreon had 1389 patrons for a total of $5,243 per video, his bandmate Nataly Dawn's personal Patreon had 574 patrons for a total of $1,807.83 per song or video, Pomplamoose's Patreon had 2011 patrons for a total of $6,730 per video, webcomics creator Kris Straub had

531 patrons for $1,923 per month, and webcomics creator Aaron Diaz had 1260 patrons for $5,488 per month.[109, 110, 111, 112, 113, 114] Others are making even more: YouTube celebrity CGP Grey had 5024 patrons for $15,371 per video; a capella group Pentatonix had 3,281 patrons for $21,314 per video; The Comedy Button had 6454 patrons for $20,014 per month, which translates into $240K+ a year; and musician/author Amanda Palmer had 5,610 patrons happy to give $34,985 for anything Palmer posts. If Palmer were to produce one thing a week, she would make over $1.8MM in a year.[115, 116, 117, 118, 119]

Key Insights: Monetizing Relationships

How might corporations and brands work with these New Creators and Makers to help monetize their relationships? Despite their indie success Pomplamoose's Jack Conte and Nataly Dawn admit New Creators and Makers still need to collaborate with corporations and brands. "'Hobby Artists' (people who don't make a living from their art) have a very idyllic view about art and money," says Conte. "They think artists should never work with brands, that money and art should be separate, that art should live in purity inside a vacuum. That's why they're not professional artists. Professional artists constantly live at the intersection of art and money. Making money is half their job. Being a professional artist is 50% making art, 50% building a machine whose input is art and whose output is money. Half your job is to build that machine."[120] Conte says that the very relationships between fans and creators may be where corporations, brands and technologies can help fill in the gap. "Community management is a baby. An absolute baby," he says. "It's ridiculous: you don't know anything about cross sections of your fans: which like to communicate with you more often, which just want to hear from you once a month. You don't know who wants to pay you, and you don't know why… The most you can get now is 'engagement'—a like, a comment—which is a very binary thing. That's hardly social: it doesn't feel like real community. At the end of this next decade of community management evolution, it's going to feel way more naturally connected and actually social."[121]

One example of emerging services for New Creators and Makers can be found in the rise of Multi-Channel Networks, or MCNs. Originally developed for content creators on YouTube but now used for Vine, Instagram, Facebook, and other social media platforms as well, MCNs like Maker Studios, Fullscreen, and Awesomeness TV function as a cross between gatekeepers and studios. MCNs accept certain promising creators and help them grow by enabling and facilitating cross-partnerships and advertising sponsorships; in exchange for these services, the MCNs get a cut of creator revenue. MCNs succeed when more traditional corporate media structures fail by recognizing what creators need in order to thrive, providing necessary tools while letting creators continue to build their fan relationships as they see best. Maker Studios' acquisition by Disney for nearly $1B in late 2014 suggests those gatekeepers are realizing a new set of skills may be needed when dealing with New Creators and Makers and their audiences.

Another example is the creation of YouTube Space facilities across the globe (including LA, London, Sao Paolo, Berlin, Paris and Mumbai), evidence of YouTube's newfound commitment to the smaller creators who drive the majority of its traffic and make it the go-to video sharing site. Each YouTube Space provides recording facilities, training, recording equipment and a sense of community. Although YouTube Spaces are only open to YouTubers with over 10,000 subscribers, the workshops and networking opportunities are open to any creator who wants to take advantage of YouTube's expertise in expanding the reach of their brand.

Collaboration + Education

New Creators and Makers do not see success as a zero-sum game, instead finding greater success by collaborating with each other and with their fans, and sharing knowledge—going so far as to teach their audiences how they succeeded and how the fans can do it too.

Collaborate with Other New Creators and Makers

In 2013, YouTube music stars Lindsey Stirling and The Piano Guys, each rising celebrities in their own right, collaborated on a cover of the *Mission: Impossible* theme song. The performance netted both parties not only a bump in their followers but a nomination for Response of the Year in the first-ever YouTube Music Awards.[122] Stirling went on to collaborate with other YouTube music personalities including Pentatonix (their version of Imagine Dragons' "Radioactive" won Response of the Year in the 2013 YouTube Music Awards), Peter Hollins (covering the theme from the video game *Skyrim)* and Tyler Ward (covering Ryan Lewis and Macklemore's "Thrift Shop"). Other notable collaborations between YouTube stars include The Piano Guys' collaborating with Megan Nicole and Alex Goot to cover Taylor Swift's "Begin Again;" Peter Hollins and Alex G covering a medley of Disney tunes; and Alex Goot and Boyce Avenue covering Vanessa Carlton's "A Thousand Miles."[123] Such collaborations aren't limited to just music—Destin Sandlin from *Smarter Every Day* and Derek Muller from *Veritasium* collaborated to demonstrate how water swirls differently in the Southern hemisphere; Rhett and Link from *Good Mythical Morning* produced a thoroughly meta video of kids reacting to an episode of The Fine Bros' *Kids React;* and *Epic Rap Battles of History* cast Smosh's Ian and Anthony as Michelangelo and Raphael and the aforementioned Rhett and Link as Leonardo and Donatello in a particularly epic episode pitting the Teenage Mutant Ninja Turtles against their Renaissance artist namesakes.[124]

Collaborate with Your Fans

Collaboration can go beyond just working with other artists—many New Creators and Makers are collaborating with their fans as well. Returning to author Hugh Howey, he himself admits: "The way I use social media is to make myself available to my existing readers, not to win over new ones. I cherish every single reader, and I think that shows. If they enjoy my works, they are the best people to go out and spread the word."[125] While prioritizing fans is part of the New Creator and Maker ethos, it's also a smart business move. Alexandra Alter in the *Wall Street Journal* notes, "Mr. Howey comes across as a charming, self-deprecating goofball (he posted a video of himself doing ballet on his lawn on YouTube after he signed his publishing deal), but he's proven to be a savage negotiator and slick marketer. He sent free copies of *Wool* to book bloggers and reviewers at Goodreads, a social-media site for avid readers. Early raves prompted more people to try the book, and the reviews snowballed. *Wool* now has more than 12,500 ratings and around 2,200 reviews on Goodreads... He conscripted 30 of his most ardent fans to be 'beta' readers who edit early drafts of his books for free."[126]

Beyond word-of-mouth marketing, Howey also invites his fans to create fan art and fan fiction, even promoting fan fiction authors' commercial offerings on his blog. "People want to know if this is okay with me," Howey posted. "It most certainly is! WJ asked me for permission, and I readily granted it. His plan was to give the work away, but I told him he was crazy… I suggested he post the story on Amazon and charge for his hard work. One commenter pointed out that technically this isn't fanfic since it has a price, and while I agree with the distinction, I like to think we can have the best of both worlds. The writing in this story is top-notch, but the spirit is one of fanfic rather than licensing. Besides, I'm not making a cent off these works. Anyone can write them as far as I'm concerned. All comers have my blessing as a fellow writer (and as an appreciative reader)."[127] In 2013, Howey announced that *Wool* would be one of the first storyworlds in Amazon's officially-licensed fan fiction "Kindle Worlds" initiative. According to Howey. a *Wool*-based story was "the first through the gates and first accepted."[128]

Share Your Data

Traditional corporate structures often withhold sales data from creators. Some claim this is based on a belief that the creator should be treated as an inaccessible artist, while others hold that corporations believe that creators should be kept in the dark in order to maintain control over them and prevent them from having more informed positions in contract negotiations. Many New Creators and Makers are turning this approach on its head, sharing data to educate their fellow New Creators and Makers about the realities of the media and entertainment business.

Indie "avant-cellist" Zoë Keating's music frequently tops contemporary classical charts, but she doesn't enjoy "mainstream" success. We know this because Keating chose to publicly share her sales data across multiple sources, including iTunes, Spotify, Amazon, Bandcamp, Pandora, the radio, and her affiliation as an ASCAP member. As Keating wrote in a note accompanying the first release of her data, "I thought it might be helpful for interested parties to see what a DIY artist receives for plays of their music on Spotify and elsewhere. But I admit I have grander designs: if we are going to discuss the ideal structure of the new music industry, we need to know how recording artists make a living today or we're just spouting hyperbole. So, in the interest of evolving the discussion, I am making myself into a data point. I encourage other artists, if they are able, to do the same."[129] According to Keating, between October of 2011 and February of 2012 she made $84,385.86 before taxes. 56% of that revenue was made off iTunes, 30% off Bandcamp, 10% off Amazon (retail), 3% off Amazon (MP3s), and less than 1% off Spotify, Pandora and NPR combined.[130] Over the next few years, Keating shared more "taboo" information about the nuts and bolts of a musician's career. In 2013, Keating provided a behind-the-scenes description of her career to the *Los Angeles Times,* including the importance of emerging platforms for both distributing her music and connecting with her fans. "It sounds pathetic, but knowing that 60,000 people liked my albums enough to buy them gave me confidence I'd lacked and encouraged me to take my art seriously and make more of it," she wrote.[131] On Feb. 24, 2014, Keating updated her numbers for 2013: $81,722.72 in pre-tax revenues, with 47% from iTunes, 31% from Bandcamp, 11% from Amazon (physical), 4% from Amazon (digital), and 8% was made off of streaming services: 4% from Pandora, 2% from Spotify, 1.5% from YouTube, and less than .5% from Rhapsody and MediaNet.[132] On May 26, 2015, Keating released her numbers a third time, but only the numbers for her Spotify streams. Her music had been streamed almost 1.5 million times, with a total payout of under $1500.[133] Keating tweeted, "Don't worry about me, my stool has many legs ;-)", but it's hard not to feel the pressure mounting for Keating and other New Creators and Makers like her.[134]

Each of Keating's releases contributed real, tangible evidence to the debate over the danger streaming services pose to recording artists. Since Keating shared her data, other musicians, including Aloe Blacc, Taylor Swift and Prince have also risen up to decry the unfair licensing deals of streaming services, pointing out how they endanger musicians' livelihoods. Most recently Keating has supported a blockchain-powered payment system for music like Bitcoin, participated in a House Judiciary Committee roundtable discussion on U.S. copyright law, and was included in a *New York Times* list of musicians standing up for artists' rights against the music industry alongside David Lowery, Blake Morgan and Bette Midler, leading to her being heralded as "an artistic dynamo with an activist bent" by *The Press Democrat.*[135, 136, 137]

Again, another example is found in author Hugh Howey, who not only shared his own sales data but launched a new genre e-book sales analysis venture, Author Earnings, "to gather and share information so that writers can make informed decisions," leading to "better pay and fairer terms in all contracts." The site provides a mile-high view of self-publishing trends on Amazon, interpreting sales-ranking data from over 50,000 bestselling genre digital titles and releasing regular reports, including Excel spreadsheets with base data and graphics. Howey is well aware that, by sharing all of this data, he's doing in publishing what Keating did in music: leveling the playing field. When asked by *Writer's Digest* what advice he would give to other writers, Howey noted that success is not a zero-sum game anymore: "Support one another. Wherever you are in your career, there's something you can do to help someone else out. The unusual nature of our industry is that we are not direct competitors to one another…We will never have so many books that someone is not going to read your book because they're reading everyone else's. We can all do well, and the way we do that is by making reading as pleasurable as possible and by turning more and more people on to it."[138]

Pay It Forward, Teach Your Fans

Some New Creators and Makers explicitly outline how they succeeded. Pomplamoose's Jack Conte and Nataly Dawn constantly and openly experiment with new technology and business models.[139] When their videos include special effects, the band frequently shows their audiences how they did them. The video for their 2014 mashup of Pharrell's "Happy" and Daft Punk's "Get Lucky" featured spectacular projection mapping, but it was all done in one take with foam board and a single projector, facts called out in the notes on the video's page and in the video itself.[140] The camera pans around the room as the video progresses, hovering over the laptop controlling the projection mapping to show how they're doing what they're doing—a music video, inspiration and tutorial lesson all rolled into one.

Like Keating and Howey, Pomplamoose has also openly shared revenue data. After a 2014 tour, Conte penned an article for *Digital Music News* that revealed they sold "just under $100,000 in tickets", put $24,000 in debt onto their credit cards to pay for tour preparations, and paid another $8,794 a week for the band and the crew for the duration of the tour. According to Conte, "The tour ended up costing us $147,802 to produce and execute... Add it up, and that's $135,983 in total income for our tour. And we had $147,802 in expenses. We lost $11,819."[141] Conte adds, however, that they make money through other revenue streams. "At the end of the day, Pomplamoose is just fine," Conte wrote. "We're entering a new era in history: the space between 'starving artist' and 'rich and famous' is beginning to collapse. YouTube has signed up over a million partners (people who agree to run ads over their videos to make money from their content). The 'creative class' is no longer emerging: it's here, now. We, the creative class, are finding ways to make a living making music, drawing webcomics, writing articles, coding games, recording podcasts. Most people don't know our names or faces. We are not on magazine covers at the grocery store. We are not rich, and we are not famous… We have not 'made it.' We're making it."[141]

Key Insights: Succeed Together

Perhaps the most revolutionary aspect of the New Creators and Makers is the overall sense of camaraderie and sharing. Collaborations between fellow New Creators and Makers and with fans, being open about financial realities and helping others succeed through sharing traditionally taboo information or by founding new platforms like Patreon—the overarching philosophy is one of openness and authenticity, paired with the belief that success is no longer a zero-sum game.

It might initially seem difficult to apply this to corporations and brands, but many brands are already exploring similar directions. Consider the recent "A x B" collaborations between complementary brands, such as between Warby Parker and the Cooper Hewitt Design Museum, Ghostly International, 826 and Beck, or between the men's fashion blog Uncrate and the shaving company Harry's.[142, 143, 144, 145, 146] As long as the pairing is complementary and authentic, such collaborations can be beneficial for both brands and build audiences on both sides.

As for corporations and brands looking to collaborate with New Creators and Makers, perhaps the most critical lesson is to consider what New Creators and Makers may expect from such collaborations. Many creators are unlikely to collaborate unless such a partner can clearly bring something that they cannot get on their own (as with Hugh Howey's print-only deal with Simon & Schuster). Many New Creators and Makers who are willing to share their data are also unlikely to appreciate partners unwilling to share data in close to real-time, the result of having built their own brands using systems like Google Analytics.

Conclusion

So what *is* a New Creator and Maker? Watch a video from a successful online creator, and it can all seem pretty easy. How difficult is it, really, to sit in your bedroom and talk about the latest social justice issue, or play the latest video game, or make a cute piece of papercraft? Behind the actual product itself, however, is so much more. Being a creator is a full-time job, one that requires a strong work ethic and the willingness to be open and honest with fans. PewDiePie may seem to have a simple job—play video games and make snarky comments while doing so—but he has also been consistent in creating content for his fans, uploading new videos almost daily and building a body of work upwards of 2,500 videos, and he has broadened his scope beyond "Let's Play" videos as well, launching his RevelMode network in January of 2016. While he admits that he's lucky to have reached his current stage, he also states that there are cons as well, such as its all-consuming nature. "It's the hardest job I will ever have," he says. "I struggle to shut it off."[147] He is also keenly aware that public favor could just as suddenly turn away, saying, "I've always kept the approach that next month might not work out."[147]

Therein lies both the problem and the opportunity: the same Internet that created rampant piracy and artist-exploiting services like Spotify is also opening new doorways for New Creators and Makers to bring their work directly to their would-be audiences. At the heart of their business model is the same challenge facing *every* creator and maker: *if* their work is good enough, *if* they can create enough of it, *if* they can find enough fans, and *if* they can *keep those fans coming back*, then they stand a very real chance of creating viable, sustainable businesses doing what they love. Just how real that chance is, however, is a matter of some debate; even YouTube creators who seem successful in terms of numbers can be far from *financially* successful.

In late 2015, Gaby Dunn wrote an article for Fusion titled "Get Rich or Die Vlogging: The Sad Economics of Internet Fame." Dunn, whose face is recognizable to most who have watched at least a few Buzzfeed videos, describes the difficulties of being a "mid-level" YouTube creator. Her channel has around a half-million followers, far from enough to attract big sponsorships. At the same time, with Internet fame comes public recognizability and celebrity, but frequently little money. This fame without fortune means New Creators and Makers like Dunn struggle with working "real jobs" to pay their bills. While working as a waitress, Dunn was recognized by countless patrons, embarrassing her and making her job more difficult. Further, creators are frequently vulnerable to criticism from fans who feel that they are owed something, or that they have enough of a relationship to criticize the creator. For example, New Creators and Makers with a large fanbase will often showcase a sponsor's brand, while also crediting the brand before or after their videos. While these sponsorships are often crucial to survival, fans often view these creators as "sellouts." On every sponsored video (that was paying Dunn's bills and helping her create more content), the top comments were typically fan complaints about the fact that Dunn and Raskin were trying to make money on their channel. Finding brands complementary to New Creators and Makers' own brands and audiences is straightforward enough—see Michelle Phan's deal with L'Oreal to launch a line of cosmetics—but getting this wrong may be even more hazardous for New Creators and Makers due to the heightened importance of authenticity to their audiences, and even getting it right may not be enough for cynical followers like Dunn's.[148]

Again, what *is* a New Creator and Maker? A New Creator and Maker is someone who, even knowing (or living) stories like Dunn's, still plunges ahead, driven to use a mix of New Screens and New Funding and Business Models not just to pursue dreams of fame and fortune but to *participate* in the ongoing conversation between these new stars who are more *just like them* than ever before. The democratization of the media landscape thanks to new technology has changed the ecosystem irreversibly—but in many ways these New Screens are *in addition* to such "old screens" as film and television, and they are most definitely not the same. As such, the biggest lesson here for corporations and brands may be simply to accept that working with these New Creators and Makers will not be business as usual. What makes a good YouTube star may not translate into a good TV star, and a hit on YouTube is different from a hit on Hulu or Netflix. Understanding the nuances of each platform and building content strategies, collaboration strategies, and business strategies to match is crucial to success.

That may be the main element that defines New Creators and Makers: New Creators and Makers understand these differences implicitly. It's at the very core of not just their business models, but in how they interact with technology, with content, and with each other. It's woven into their sense of authenticity, their sense of openness, and their sense of collaboration—hallmarks of a generation that grew up with the rampantly personal, open, collaborative and participatory Internet. It's no mystery that most of the New Creators and Makers are digital natives—they reflect the formative impact the Internet has had on the arts, on the creative industries, on us as creators and on us as audiences. What their long-lasting impact is on the future of the media and entertainment industry remains to be seen.

CONCLUSION: IMAGINING POSSIBLE FUTURES

Henry Jenkins

My 2008 book, *Convergence Culture: Where Old and New Media Collide*, captured a moment within what has turned out to a prolonged and profound cycle of media in transition. Convergence, I told readers, had less to do with the interfaces between technologies and more to do with the interactions between audiences, producers, texts, and technologies. The so-called digital revolution would not mean the withering away of mass media, as had sometimes been predicted; rather, we were seeing an ever more complex media ecology where grassroots communities produce and circulate media outside of established institutions and their actions disrupt and reshape how media operated within the society. However, these grassroots efforts would exist alongside and increasingly intersect the operations of big companies that would be dispersing their content across ever more media platforms—for example, in the form of transmedia storytelling practices. What is now clearer is that corporations would own the platforms and thus set the terms under which grassroots media circulates. I saw the changes that were coming as being shaped both by decisions made in corporate boardrooms and by decisions made in teenagers' bedrooms.

Half a decade later, I worked with Sam Ford and Joshua Green, both colleagues from MIT's Convergence Culture Consortium, to revisit the state of the media industries, again considering how participatory culture—now increasingly understood in relation to social media—was colliding with the practices of established media companies. The result was *Spreadable Media: Creating Value and Meaning in a Networked Culture* (2013). Keep in mind that *Convergence Culture* came out at about the same time that industry leaders in Silicon Valley started talking about Web 2.0, so our first task was to reconsider that new paradigm from the perspective of consumer-participants. Despite rhetoric implying a smooth alignment of the interests of producers and consumers, almost every major Web 2.0 company had found itself in the midst of controversies over its terms of service: these companies often did not really understand the participatory culture communities that they sought to court, capture, and commodify through their tools and services. Our book explored the distinction between distribution and circulation: distribution referred to established industry practices where corporations decided top-down how, where, and on what terms their content reached potential markets; circulation referred to the still-emerging and hybrid system where the public helped to shape the spread of media content through what they shared within their social networks. We argued that these new systems of circulation had the potential to generate visibility and revenue for content that the companies themselves had not yet recognized. We also explored new ways that independent and transnational producers might partner with their fans and followers in order to get new kinds of content produced and distributed. For example, the book anticipated the growing importance of crowdfunding tools as mechanisms for supporting independent artists working outside or on the fringes of dominant creative industries.

The Edison Project, with its focus on New Metrics and Measurements, New Funding and Business Models, New Screens, and New Creators and Makers, offers a rich opportunity to revisit some of the core questions that animated these earlier books, another set of soundings into this long-term process of media transition and transformation. Reading through this report, it is clear that we are collectively working out how the media ecosystem will operate in the face of some of the disruptive factors we've been mapping over the past decade and more. There are some contradictory signs here, more than one possible direction that future developments will take. If this report does not (and can not) provide all of the answers, it has certainly done much to sharpen the questions. The most important question to ask is, what kind of future media ecosystem do we want? What choices will lead us towards models of audience engagement, technological configurations, business practices, and creative paths that will be most valuable and meaningful to the culture at large as well as to the individual players seeking to make sense of and make profit from these changes?

Let's consider a best-case scenario which might be defined by some of the following conditions:

- **Media producers will be more responsive and more accountable to their audiences because they have a deeper understanding of how content fits into the lives of the people consuming it.** Audience engagement is not simply one thing that can be easily measured. Fans adopt many different relationships to content meaningful to them; they embrace different postures towards different kinds of content; and their own choices are shaped by the larger social and cultural contexts within which they operate. So, content will need to be designed to reflect and respect those preferences, especially at a moment when audience engagement has become one of the core currencies within the imagination economy. To accommodate those diverse interests, fans want the content they want when and where they want it and they will take it places illegally if the content is not legally available to them on their desired terms. The New Metrics and Measurement report describes emerging approaches through which producers and networks might identify what motivates fan engagement and to better understand when, where, and with whom hardcore followers want to be able to access content. These new approaches move us beyond established models which tend to rely almost exclusively on demographic data and one-size-fits-all models of engagement. The affordances of New Screens offer many different ways to access, experience, and share meaningful content with others. New Funding and Business Models suggest alternative ways for audiences to pay for this content, on terms that reflect the particulars of their relationships. The New Creators and Makers will be those who know their audiences best, because they will have developed a more sustained and intimate partnership with their followers, now "friends" as much as "fans." These new media producers will need to be nimble, dynamic, and iterative—putting out content at lower costs and quicker turnaround to test and refine their relationships with the market.

- **The public will exercise greater control over the data companies gather about them.** Audiences expect content that's tailored to their unique and diverse interests—and are willing to relinquish a certain degree of personal data to accomplish this—yet they also feel that such customization shouldn't come at the cost of their privacy. While not everyone understands the risks and consequences of current data-mining practices, many audience members are progressively more savvy about the terms with which they interact with media companies, using social media to educate each other about choices they are making. While youth may make different decisions about what should or should not be private than their parents' generations did, they often want to exert greater control over what data is extracted from their lives, who has access to that information, and on what terms. Industry decisions therefore need to become more transparent in helping their consumers understand what kinds of data are being collected, for what purposes, and under what conditions. And other groups need to continue to educate those who are less informed about the risks that current practices pose to our collective rights to control what uses get made of our information. In our ideal model, companies will provide the public with the tools they need to manage their personal information, selling it off to companies when consumers have no objection to doing so, masking it from view when it matters to them, but able to control at each stage what uses of their unique data they have authorized.

- **There will be multiple layers of creative production.** Some will be aimed at mass audiences with hit-based strategies and others will assume more intimate, more authentic connections between fans and producers of more niche content. The report on New Funding and Business Models argues that the "Long Tail" is a "total myth," at least where the music industry is concerned, stressing the ways that the industry still depends on massive hits from a small number of producers for the overwhelming majority of its revenue. The report on New Creators and Makers, however, describes ways that artists working independently from the major labels, courting their audiences through encounters on a range of different media platforms, and requesting their emotional and economic investments are redefining what success looks like. These two findings may seem contradictory, but they reflect a splintering of the media industry and a fragmentation of audience taste. Imagine a world where there are certain texts—pop songs, television series, blockbuster movies—that every person needs to know in order to be "in the know." Imagine that each of these fans also has a more engaged, more intimate relationship with some form of niche content that is especially meaningful to them but may not be widely known. The results would look somewhat like what the current data is showing us: there would be massive hits that command the largest share of the revenue and there would be a much more diverse set of artists whose work enjoys some degree of commercial success and who are able to sustain their careers over time. The best way to make massive revenue in such a system would be to produce a hit, but this is also the best way to lose massive revenue since producing hits is hard and costly. However, there will be other options, such as the ones outlined in the New Creators and Makers report. The Long Tail model fails us if it leads us to anticipate a world where there will be no more hits, only niche successes, but its critics are missing the boat if they imagine a world which operates the same way that concentrated media has always operated and fail to recognize the expanded access to a more diverse set of entertainment options. In some media sectors, hits exert stronger influences than in others, but in all, we should expect the interplay of different levels of cultural production. We will say more about the implications of ever more options later in this conclusion. Right now, we are seeing bleeding-edge experiments in what those alternative paths to market look like, experiments that may well rely on the kinds of New Funding and Business Models this report has outlined, including projects that depend on crowdfunding and crowdsourcing mechanisms or which rely on various kinds of subscription, micropayment, and patronage systems.

- **The new imagination economy will take advantage of the affordances of diverse kinds of screens and interfaces to introduce new ways of interacting with media content and new ways of participating within entertainment experiences.** Right now, the industry tends to respond first to the introduction of New Screens by developing new forms of interactivity, which are preprogrammed and allow fans to make personalized choices, skimming along the surface or drilling down deep, depending on their degrees of engagement. Yet, many fans want more than this—they want a chance to express themselves, they want to use your content as a resource for their social interactions with others, and they want to be able to share, discuss, and remix media content to make it a better vehicle for their engagements. In short, they want the right to participate. In a dynamic and audience-centric media ecosystem, these forms of participation are valuable to commercial media producers, allowing opportunities for grassroots promotion, for new insights into consumer tastes, and for the recruitment of new talent. All of this points back to the importance of developing New Metrics and Measurements so that producers can anticipate and respond nimbly to the particular demands of the audiences that are drawn together around media properties. New forms of interactivity certainly create opportunities for creative experimentation and expression, which we want to embrace, but interactivity works best when it responds to what we know about the desires and interests of the consumers most apt to engage with that content. It is precisely because there will be no one-size-fits-all relationship with content in this emerging media ecosystem that a more open and more participatory space is essential to support multiple interests and engagements.

- **Advertising will become a resource content audiences actively seek out because it responds to their needs.** Brands are creating new relationships with the New Creators and Makers, becoming collaborators with and sponsors of entertainment experiences (such as concert tours, music festivals and other live events) and thus benefiting from these more intimate relationships with fans. Product placements are making brands more integral to media content, as has occurred across a range of different reality programming formats, and brands may enable fans to access expanded options that extend their experiences of a popular entertainment franchise, as is suggested by various transmedia branding strategies. What the industry likes to call "viral advertising" really describes branded content viewers find compelling enough that they want to pass it along to their friends, often because it serves as a shared resource within ongoing conversations within their community. In some cases, for some kinds of products and services, the development of strong brand communities creates mechanisms for their messages to travel by word of mouth, passed along by passionate grassroots advocates who bear much greater credibility than any commercial might. Each of these represent alternative strategies for making brand messages a meaningful part of the content, something consumers seek out and share, rather than something they dread and block. Such approaches work best when the people calling the shots for these brands have developed cultural expertise and have insights that emerge from people deeply embedded within those communities. These strategies reflect the ways that Madison Avenue, no less than Hollywood or Nashville, might become more responsive to diverse models of audience engagement and might build the intimate partnership with their dedicated followers that the New Creators and Makers are fostering with their fans.

- **Shared public spaces will gain new vitality because of the desire for shared media experiences.** All of the sections of this report stress the social dimensions of the public's relationship with media content and its creators. Today's media needs to support diverse kinds of engagements, interactions, participations, and transactions. Understanding media as social explains why hits remain key drivers, why patrons choose to support particular performers and creators, and why audiences seek to develop expertise and mastery by drilling deeper into particular texts. It may also explain why they may choose to continue to engage with media in public, despite the fact that they can increasingly consume any desired content on-demand within the privacy of their own home. The old Hollywood system was based on the idea that

> much of the country would routinely go to the movies; New Hollywood imagined this would be true for teens and young adults if it was no longer true for everyone. Now, entertainment experiences in public will be special events, and thus they need to be distinctive and remarkable experiences. The success of hackerspaces and makerspaces suggest ways that sociality can inspire the process of making and sharing media together within a common space. Contemporary trends find movie theaters being used more and more for live events such as the simulcast of operas, concerts, and theatrical experiences or events such as Sing-A-Longs or Secret Cinema excursions translating prefabricated screen properties into unique local experiences that build upon the public's desire to share good times together. Throughout the 20s and 30s, American cinema houses offered "an evening's entertainment," combining live performances with canned experiences, offering other services and features such as daycare facilities, barbershops, bowling alleys, and dance halls, all of which became their own attractions quite beyond what films happened to be screening that week. Given the range of media options confronting the contemporary audience, media producers need to accent location specificity, liveness, and sociality as core features of their offerings, giving people reasons to leave their homes and return to the town square for what we hope will be an evening's entertainment.

The above represents the best potential of an imagination economy: a melding of the capacities of professional media makers and the social engagement of a more participatory culture. Each of these predictions suggest ways that New Metrics and Measurements, New Funding and Business Models, New Screens, and New Creators and Makers might work together to create a more diverse, more creative, more responsive, and more meaningful set of options for audiences and producers alike.

Now, let us consider the more negative undercurrent that also runs through the report. These scenarios suggest greater friction, more tension, between the interests of media consumers and producers.

- **Every personal transaction will be monitored and commodified.** Imagine the logic of Big Data carried to its logical extreme. Across the Web 2.0 era, there has been a shift from an emphasis on "user-generated content" as the driver of profit for those who own the core platforms and networks towards an economy based on gathering and selling personal data involuntarily shed during our social interactions. Media companies have greater information about their consumers than ever before, but the extraction of that data has become more and more intrusive. The public will have become more aggressive at masking their identities and blocking access to their information, but the companies will have also become more aggressive and more cunning about extracting it. Our most intimate, more significant social interactions occur in spaces that are not under our control and that may be turned to the profit of others. Our social connections remain difficult to port from one social media platform to another, making it hard for the market to exert any counter-pressure on these trends.

- **A growing concentration of media ownership will limit options for both producers and consumers.** The New Funding and Business Models section of this report outlined a series of scenarios about what would happen next given the unstable business context for media industries. Two of the three scenarios involved some degree of greater concentration of media ownership, with the five new media oligopolies (Amazon, Google, Facebook, Apple, and Netflix) playing decisive roles in shaping what kinds of media content has access to the marketplace and on what terms. Both of those scenarios describe ways that today's fragmented media environment might give ground to a much more concentrated future, and this trend should concern many of those who are reading this report, especially since it works against the new kinds of relationships between producers and consumers that are outlined above. In the absence of net neutrality, the priority given to companies who can pay the most to access broadband pipelines will be a further factor towards concentration, since the public will have more limited access to alternative channels, independent creators, or grassroots networks. In the presence of net neutrality, these companies could still maintain dominance through strategic acquisitions and partnerships. Even as we are seeing trends that point towards the disaggregation of media content and thus the opening up of more options, a concentrated media ownership is apt to result in new forms of bundling, especially in terms of how we pay for access to especially desired content.

- **Unwanted media intrudes into more and**

more spaces of consumers' lives. Brands and content producers will demand the attention of consumers who are increasingly trying to screen out their messages and as a consequence, media will override real world experiences. The more effective the public becomes at blocking ads in their personal spaces, the more crafty the industry is apt to become at introducing such content through other channels. Consider the example of Times Square: old photographs of Times Square at the dawn of the 20th century show a mediascape where every inch of real estate is dominated by signs, billboards, and advertisements, all sending competing messages to the public. Today's Times Square is remarkably the same: the signs have become electronic, with more and more of the real estate occupied by video projections. We have added another layer of media we carry around with us on our bodies and that can now hail us with mobile messages. What happens when every town square in every neighborhood starts to look more and more like Times Square? We get a glimpse of such a future in *Minority Report*, either the film or the television show, where commercials are more personalized, triggered by the presence of specific consumers, and demand their attention as they seek to push past them along the crowded streets. This vision combines the pervasiveness of advertising with the invasiveness of personal data extraction, resulting in a world where there is no privacy and little refuge from commercialization. This is the opposite of the scenario we described above where advertising is seen as a resource in support of consumer's own desires for meaningful connection with each other. In this scenario, the New Screens simply offer new platforms from which branded content can intrude into our lives, responsive to the consumer only insofar as doing so gives an advantage in commanding their attention.

- **Relations between producers and consumers will become increasingly strained as we see embattled stances around copyright and fair use.** Piracy will destroy revenue for creative artists and overly aggressive copyright enforcement will limit options for the public to express their desires in response to media content. Whenever there is a disruption of an economic system, there is also a disruption of the moral economy that grows up around it: all parties seek to gain ground and make competing and contradictory bids to legitimate these new practices. The New Funding and Business Models report suggests that piracy, far from being an underground illicit activity, benefits enormously from choices made by media platforms and advertisers, which make file-sharing profitable. The public's desire for free content exists alongside the advertiser's desires to reach dispersed consumers, resulting in negative consequences for the creative industries. At the same time, the industry's response has been enormously destructive, largely because they have directed their ire and legal might against consumers seeking access to their content, not towards these other economic players. Understanding all forms of grassroots circulation as piracy and all forms of remixing and transformative works as infringement threatens

> the new participatory culture and likely damages the kinds of relations to consumers that makers old and new need to cultivate if they are going to survive and thrive in this new environment. The erosion of copyright and fair use exist side by side at the present moment, each pushing all parties towards more extreme positions, and each damaging the integrity of the imagination economy. Any path forward will need to address both, since shifting one without addressing the other will lack the moral authority and credibility necessary to get all parties to buy into such a solution.

The above represents the worst sides of the old information/ mass media economy. Some interests will no doubt profit from this scenario, especially those who exert a control over this more concentrated media economy. But many more will be disadvantaged—producers who will lack a clear pathway to the market, artists who enjoy fewer creative opportunities, and consumers who feel violated at all sides. These scenarios result in more friction, more tension, as the gaps between conflicting interests widen, and we are locked into winner-takes-all battles for dominance. These scenarios threaten privacy and especially threaten the diversity, freedom, and participation that were the promises most widely embraced during the first phases of the digital revolution. Just as some have argued that it is hard to get the public to pay for content they once received for free, it may also be extremely difficult to get them to accept controls and constraints over choices that were much more freely made.

So what is to be done? There is nothing inevitable about these outcomes—they are not determined by the technological environment but rather shaped by choices made at all levels of the media ecosystem. As a consequence, reality is apt to fall somewhere in between these two models, so that creative artists and consumers both need to adopt an attitude of hope for the best, prepare for the worst. They need to recognize that paradigm shifts are shaped by many localized decisions and they need to make choices with an understanding of both their short-term return and their long-range impact on the media ecology. To achieve the more desirable model is going to require active choices, creative innovations, and visionary leaders, who see the value in the kind of system we've described. There are a great many factors that can block one or another of these developments and some of them require long-term rather than short-term decision-making, something that is hard to achieve given the current economic imperatives impacting media companies.

- **More forms of engagement.** The Edison Project's audience engagement research shows us why it has been difficult for the industry to develop reliable measurements of audience engagement: engagement is not simply one thing. Fans embrace properties for many different reasons, and the models we use to map these behaviors need to be robust and nuanced enough to account for those different motivators. Diverse fans want different things, and they increasingly expect media producers to anticipate and respond to those desires, especially in a context where every other media option is expanding at the same moment.

- **More forms of attention.** Sometimes we snack, sometimes we surf, sometimes we binge. Sometimes media competes for our attention with a range of other activities, and sometimes we give it our full attention. Sometimes we turn off the show before it is over and sometimes we stay after for late night panel discussions, podcasts, fan fiction, transmedia extensions, and a range of other forms of extra content.

- **More forms of participation and interactivity.** As media producers respond to these diverse forms of engagement and attention, we are seeing a dramatic proliferation of features, each of which makes their own assumptions about what people want to do with media content. The more grounded these features are in what research shows us about patterns of audience engagement, the more successful they will be at providing consumers with meaningful experiences. However, we should not expect technological innovation and experimentation to slow anytime soon.

- **More media platforms.** We are a long way away from the seamless convergence of media technologies that some had anticipated. Rather, we are seeing a proliferation of media platforms, each offering consumers different ways of accessing and engaging with content, each allowing for different ways of scheduling or locating viewing, and each offering different ways of accessing and paying for content. For example, the On Demand system at the temporary apartment where I am currently living allows me access to a broad and deep video library, making it possible to get on top of new series well after they have aired, but it has no capacity for me to record content I might miss if I need to work late and thus requires me to wait 24-48 hours to be able to access it if I do not make it home again. Further, it has disabled both my capacity to fast forward through commercials and to pause action while watching a "live" broadcast. So, in some ways, it has the features of a fully streaming world, where the consumer chooses a program not a channel, and where people can access what they want when they want it, but in other ways, the On Demand system pushes us back to appointment-based models of viewing, at least in the short run, especially in relation to special events such as presidential debates or series finales that are apt to be the center of social interactions the following day. Each of these platforms, then, has implications of how content gets consumed and even what kinds of content matters.

- **More business models.** Some content will be bundled, and some will be sold separately to the consumer on a unit-by-unit basis. We are apt to see the unbundling of traditional cable packages over the coming years, a trend we predicted at the start of the Edison Project, and one that has been unfolding rapidly ever since. However, subscription based models are apt to result in new kinds of bundling—if not of channels, then of content producers, who will want to work together to get a share of the revenue. Some content will be purchased in advance, as a result of new crowdfunding or patronage models, and others will be printed on demand, as has happened increasingly in the publishing world. Since the other factors that are contributing to the proliferation of such models are not apt to be resolved in the short term, producers are going to need to navigate across different platforms and business models, making different deals for different kinds of access to their content, and hedging their bets.

- **More layers of production and circulation.** As we suggested above, many sectors of the entertainment industry will remain hits and blockbuster-driven in the short term. Despite an expanding range of media options, some choices gain an overwhelming share of audience attention and revenue. There will remain a sector well situated to fund, produce, and promote such content, which requires special kinds of infrastructure and resources. However, there will also be other ways for media producers to reach audiences, and there will be many other layers of media production, often less dependent on large revenue to sustain their operations. This report has stressed the opportunities for New Creators and Makers to chart new paths to the market and forge new relationships with their consumers. However, we should also note that there are more paths leading from amateur to semi-professional and professional in this new ecology and more ways for nonprofit, governmental, educational, religious, activist, and other groups to get their materials into circulation, sometimes reaching a large public audience, without necessarily making this content the primary basis for their income.

We will therefore likely see producers with radically different motives using the same platforms to get their content out to the world, and, in the process, we will see new relationships emerging between these different forms of media production.

- **More relationships between fans and producers.** As hits persist as a key profit generator and driver of the mainstream media industries, we have seen a growth in celebrity culture—certain larger than life personalities command the spotlight, and people want more and more information about more and more different aspects of their lives. This desire for glimpses behind the curtain persist precisely because on other levels, these performers retain a high degree of distance from their fans, on the main stage looking down across the footlights, not mingling on the dance floor after the performance. Because of their enormous reach, such celebrities can drive other consumer decisions, such as endorsing brands and products, and can shape civic decisions, such as putting their names behind particular causes and charities. At the same time, other media-makers have sought to build more intimate relationships with their particular niches, inviting fans inside as "friends", encouraging them to actively contribute to and support the creative process, as potential funders and patrons on the one hand and circulators and publicists on the other. As creators seek to identify which niche they need to occupy in the more diverse systems

> of production and circulation, they will also be making decisions about what kinds of relationships they want to cultivate with their fans.

So, our prognosis in the short term is more, MORE, ***MORE!!!*** This is at least part of what a robust imagination economy, one more limited by poverty of the imagination than scarcity of resources, might look like. Therefore, we need to adjust to a realm of plentitude rather than scarcity, and that will require particular kinds of skills, tools, and services in the short run. We face a media landscape that is rapidly expanding, opening up new and varied terrain stretching in every direction. We've only touched on some, not all, of the factors influencing this escalation of media change—we've said little to nothing here about the flow of media content and formats across national borders, for example, about the kinds of pop cosmopolitanism that are increasing awareness and interest in content from elsewhere pretty much without regard to which national media economy we are describing. This expansion of options accounts for why all involved feel like things are spinning beyond their control. To survive in this ecosystem, we'll need tools to help us *navigate* and *traverse* this terrain: social and algorithmic mechanisms for curation as well as platforms to help us seamlessly access and consume content.

We can anticipate that many artists will struggle to make sense of this new system, especially insofar as it requires them to negotiate with a broader range of investors and gate-keepers than in the past and it requires them to move across different media systems in order to find their audiences. Not all of them will possess the kinds of social skills needed to forge new relationships with audiences. Not all of them will have the entrepreneurial skills needed to navigate this more complex marketplace, and not all of them will have the technical skills to rapidly produce and distribute low-cost bursts of content. Many of these artists will find that they need to work together to create the kinds of media packages that might attract subscriptions and patronage—cooperatives of independents that might operate alongside the larger media conglomerates driving a more hits-and-blockbuster-centered industry. A key challenge represented by these new business models is that of sustainability—a problem all creative artists confront under the conditions of precarious labor that have become the new normal after the collapse of older contractual structures, such as those filmmakers had under the studio system or musicians had with their labels. We may see the emergence of new production hubs in places like Chattanooga, TN which enjoy high speed access but lower cost of living, tapping into the possibility for content to enter the network from any geographic point.

We would also imagine then that those hoping to follow these paths would be seeking new kinds of advisors, mentors, and advocates, new kinds of agents and managers, who have the flexibility to put together different deals bringing artists, publics, and promoters together on a project by project basis. Something similar emerged when the Hollywood production system moved from self-contained studios where most of the artists were under contract to a more independent production systems where teams get packaged on a film by film basis, and more recently, as franchise content has moved into other media sectors, requiring more fluid collaborations between producers of all kinds.

We would also anticipate that the public will need more help in navigating and traversing the new media landscape. At a time of diversifying, expanding, and fragmenting media options, they need more help than ever before in finding media content that is meaningful to them. One reason that the Long Tail predictions did not turn out as anticipated is that the mechanisms for publicizing mass culture content are well established and continue to function to assure widespread awareness of every top 40 record, every blockbuster media franchise, and so forth. Even if people are not consuming this content, most of us know what's out there and a whole industry helps to drive attention to these pop phenomena. On the other hand, the Long Tail model assumed not only lower cost access to niche media content—an expanded media library—but also lower-cost mechanisms for helping people to find the content they want, and those mechanisms have been slower to emerge.

Further, while transmedia production strategies make sense insofar as they allow fans to drill down on content that has gained their attention, this approach assumes they know that these media extensions exist in the first place and again and again, producers discover that this knowledge is not necessarily as widespread as they might imagine. While transmedia was initially understood as a promotional mechanism driving traffic to the "mother ship" entertainment properties, the reality is that these transmedia options themselves need to be publicized: they might better be understood as mechanisms for sustaining and deepening engagement rather than as means of producing awareness in the first place.

The public may also need help in locating communities of other people who share their interests and want to engage with each other around entertainment content: the mechanisms which leads engaged viewers into participation within larger fandoms. A public eager to forge new kinds of relationships with performers and producers may still need help sorting through all of the various bids and offers for crowd-funding and patronage.

To some degree, these mechanisms for navigating and traversing the mediascape are emerging informally, through various grassroots efforts at curating and recommending content. To another degree, these mechanisms are emerging algorithmically, through new recommendation engines and services. However, as of this moment there's a widespread perception that we do not yet have the tools and practices we need to drive the public further down the Long Tail and encourage them to engage with more diverse kinds of media content. It has been said that the people who profit the most during gold rushes are those who produce and sell the picks, shovels, and pans needed to process the gold, and the same will be true in this economy of MORE for those who provide the tools and services needed to navigate and traverse this expansive media landscape.

NOTES

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