

Albhy Galuten



Producer, Musician & Songwriter 1970 –1992

Grammy Award-winning record producer, song writer and composer, musician, orchestrator and conductor.

Produced 18 number 1 singles with songs and albums selling over 100 million copies.

Awarded two *Grammy Awards*, multiple *gold and platinum records*, a *Drama-Logue award* and a *BMI award*.

The inventor of the *Drum Loop* for Stayin' Alive from *Saturday Night Fever*

Technology Executive 1993 – Present

Began his technology career in 1993 at Ion where he invented and developed the Enhanced CD.

Then started Elabs Technology group at Universal Music Group as Senior Vice President.

Currently VP of Media Technology for Sony Interactive Entertainment.

6 Patents Issued, 8 more Pending.

Infinite Monkeys



the hollywood process



The Hollywood Process

IDEA

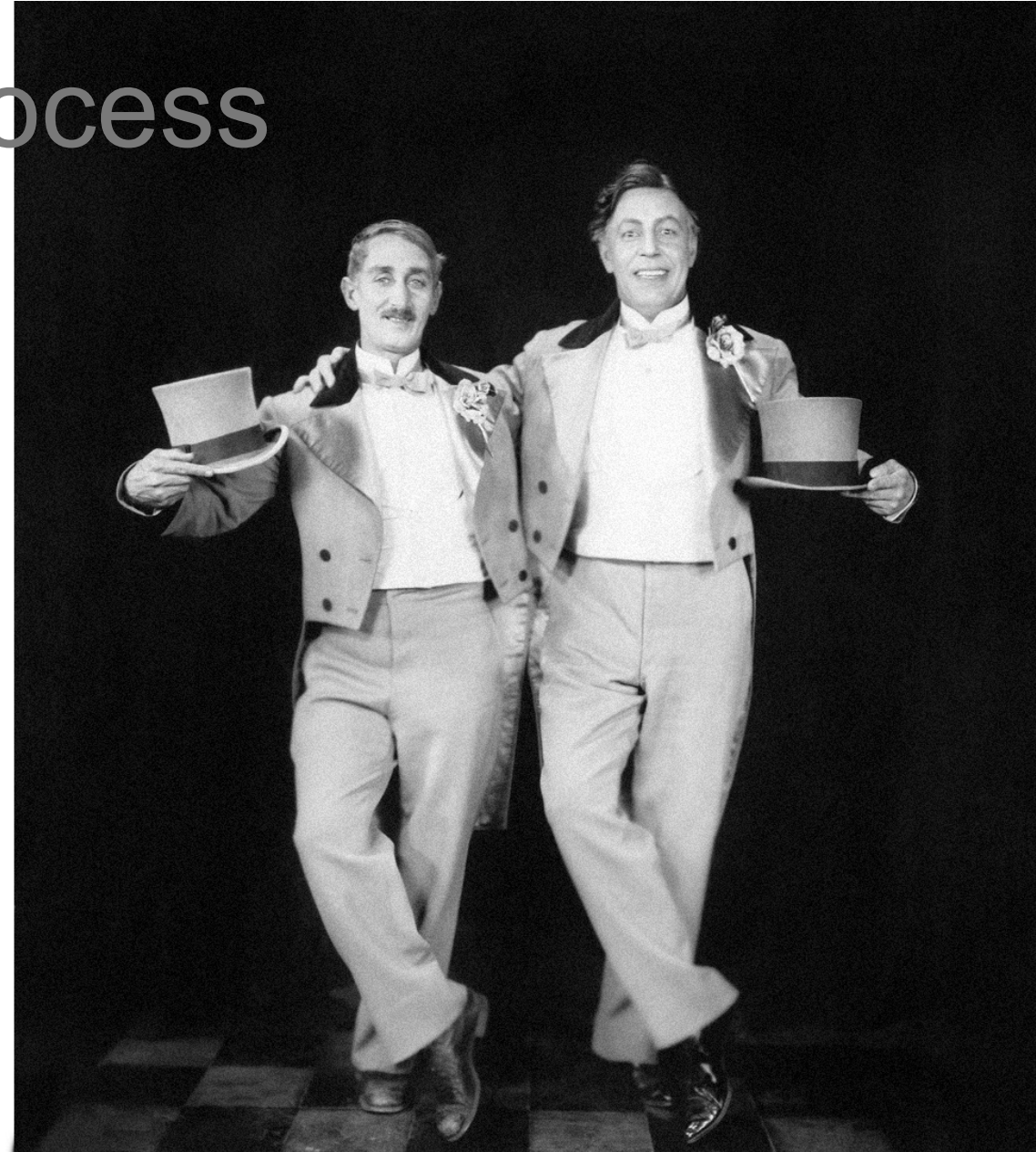
AN AGENT

A LAWYER

PITCHING SKILLS

PATIENCE

PEOPLE with a track record
(and money) have to believe
success is likely



next gen process

STILL NEED AN **IDEA**
GATHER FRIENDS AND START
TWEET AND SHARE
PRAY
AND WAIT
EARN NOTHING



PRODUCTION PROCESS

TRADITIONAL

PRODUCTION COMPANY →
AGENT →
LAWYER →
STUDIO/NETWORK →
WRITERS →
LINE PRODUCER/DIRECTOR →
ACTORS →
DP/CAMERA/GRIPS →
SHOOT FILM →
EFFECTS/RENDER →
EDIT →
DISTRIBUTE: THEATERS/TV →

1-5 YEARS

GENERALLY CLEAR

← IDEA →

← TIME →

← LEGAL &
FINANCIAL →


NEXT GEN

GATHER FRIENDS →
FILM →
EFFECTS/RENDER →
EDIT →
DISTRIBUTE: YOUTUBE →

1-5 MONTHS

NON-EXISTENT

on the horizon

A silhouette of a person in mid-air, jumping over a gap between two dark, jagged rock formations. The person's arms are outstretched upwards, and their legs are bent in a jumping motion. The background is a vibrant blue sky filled with soft, white clouds. A bright sun is positioned in the upper right quadrant, creating a strong lens flare effect with rays of light radiating outwards. The overall scene conveys a sense of achievement, freedom, and overcoming challenges.

RESOURCES ~~COMING~~ HERE
HIGH QUALITY VIDEO CAMERAS
CLOUD STORAGE AND ACCESS
EDITING/RENDERING/ANIMATION EFFECTS TOOLS
IMPACT OF SOCIAL NETWORKS



RESOURCES ~~COMING~~ HERE

HIGH QUALITY VIDEO CAMERAS

CLOUD STORAGE AND ACCESS

EDITING/RENDERING/ANIMATION EFFECTS TOOLS

IMPACT OF SOCIAL NETWORKS

Content Sources will Continue to
Diversify and Democratize

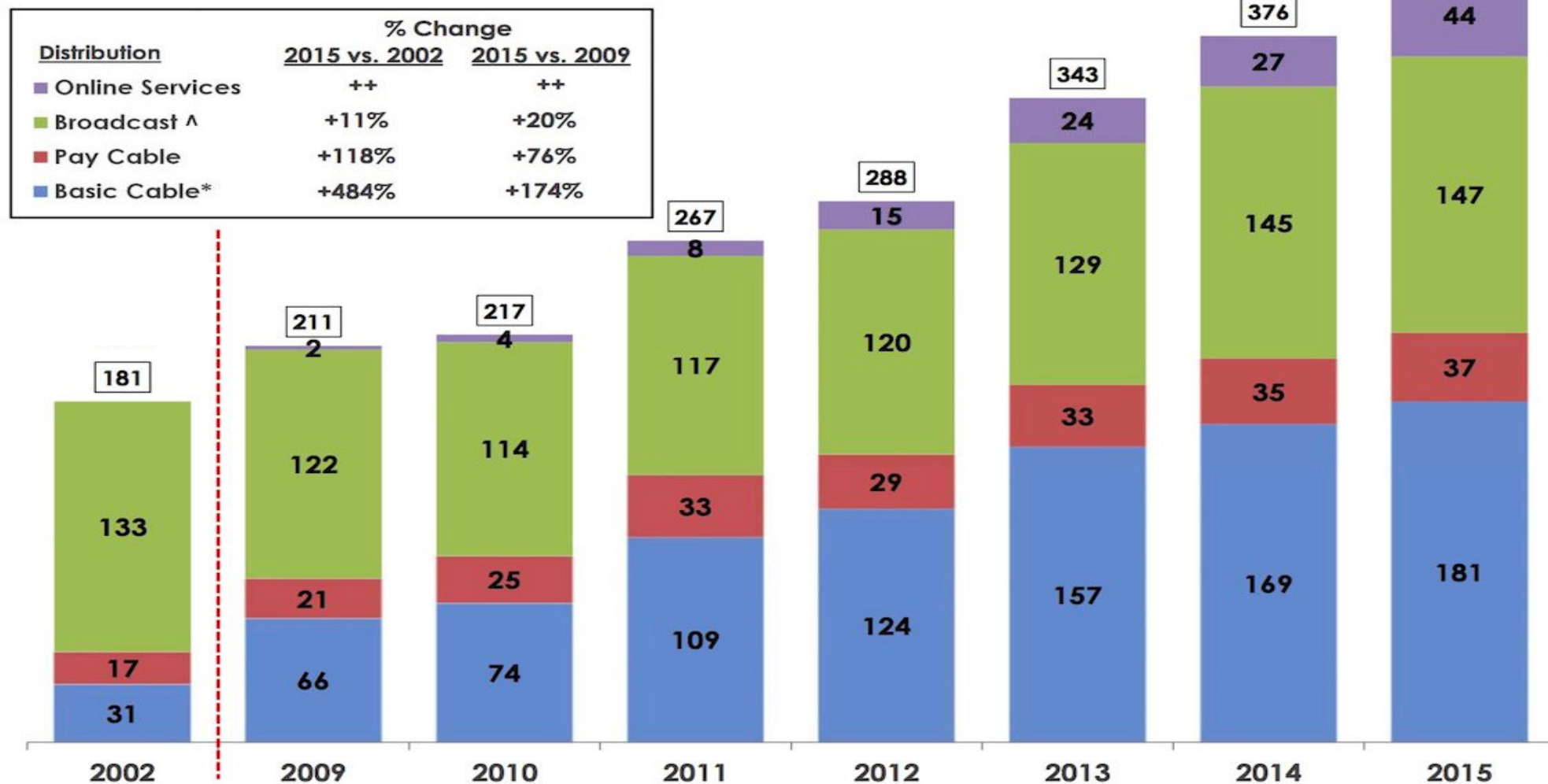


media consumption
and distribution



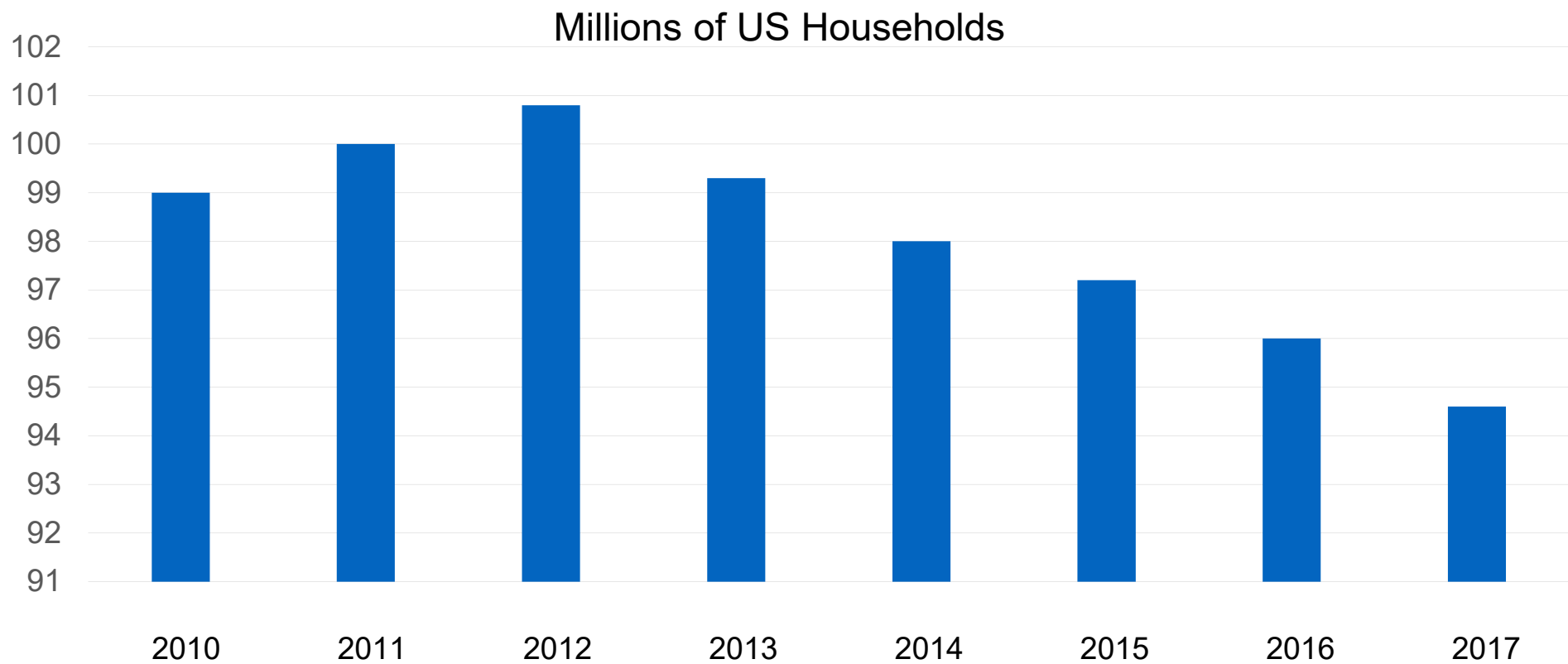
Trend in the Number of Scripted Original Series

Broadcast, Cable, and Online Services



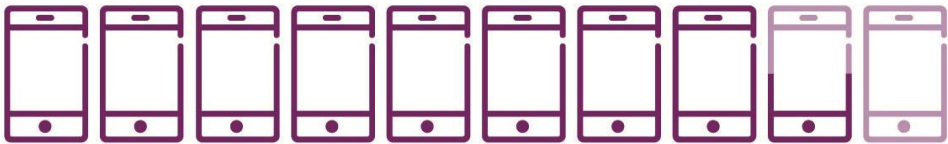
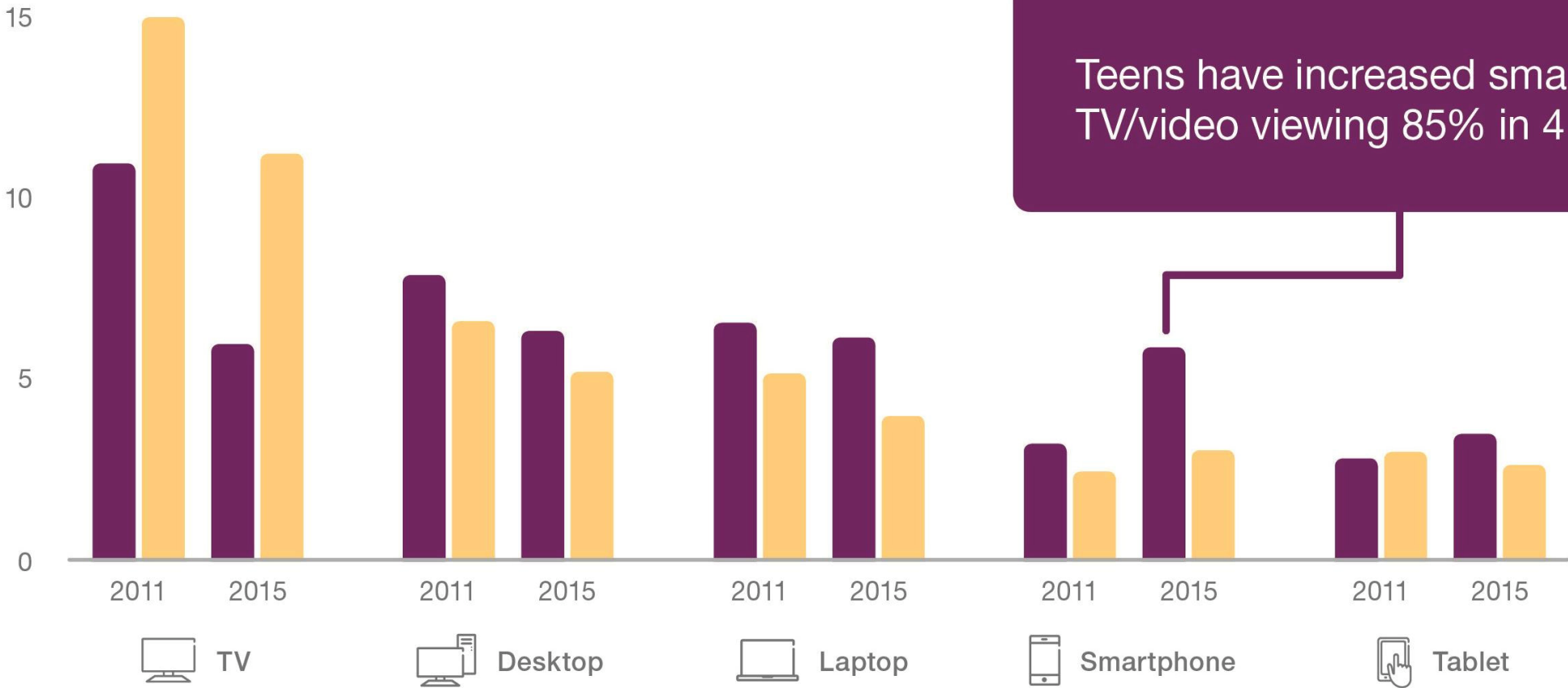
Source: ^Includes PBS. *Includes DIRECTV. Online Services = Amazon Prime, Crackle, Hulu/Plus, Netflix, and Yahoo. Excludes daytime dramas, one-episode specials, non-English language, and children's programs. Issued on 12/15/15.

US Pay-TV
Households
2010-2017



Total weekly hours of TV/video viewing at home

Teens Others



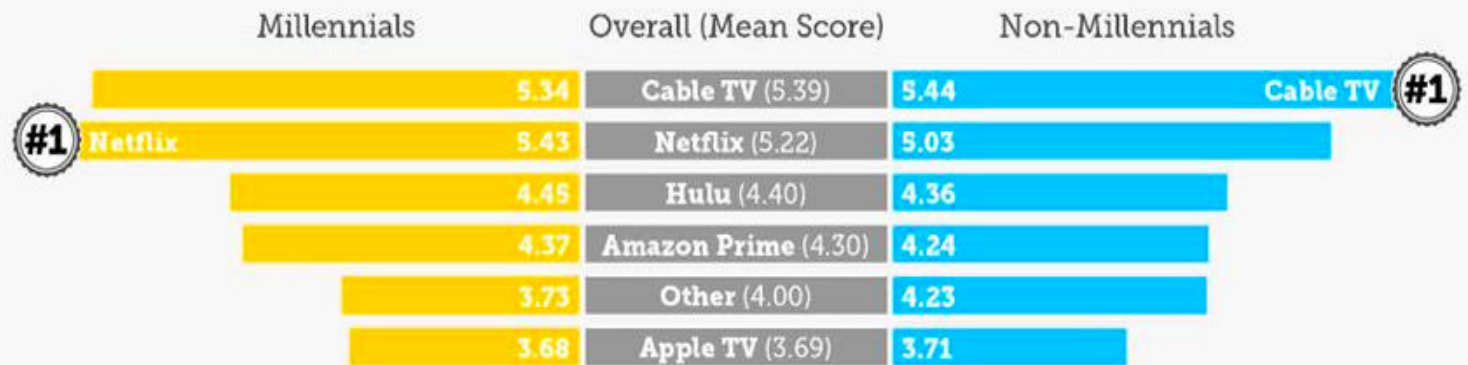
Teens have increased smartphone TV/video viewing 85% in 4 years

Source: Ericsson ConsumerLab, TV and Media (2011, 2015)
Base: 9,000 respondents aged 16-59 in Brazil, China, Germany, South Korea, Spain, Sweden, Taiwan, UK and US

Television



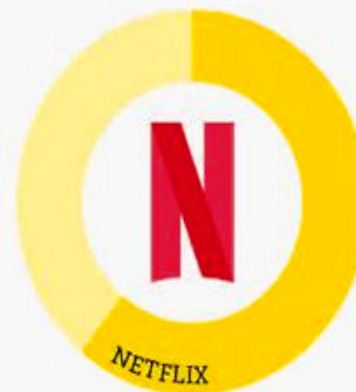
Respondants were asked to rank from 1 to 6 their method for watching 'television,' of those, Cable TV is ranked the #1 overall, followed closely by Netflix, then Hulu.



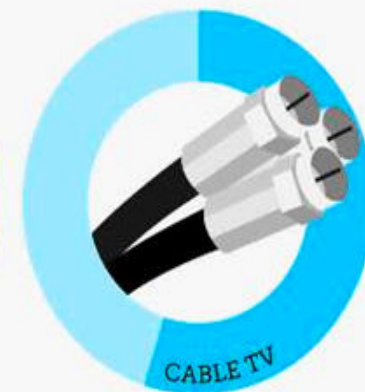
Millennials watch less TV per day



61%
of millennials
say this is their
#1 or #2 method
for watching TV



55%
of millennials
say this is their
#1 or #2 method
for watching TV



Disposable
Income

Games and Toys

Personal Electronics

Subscription Services
(Netflix, Spotify, Pandora)

Travel

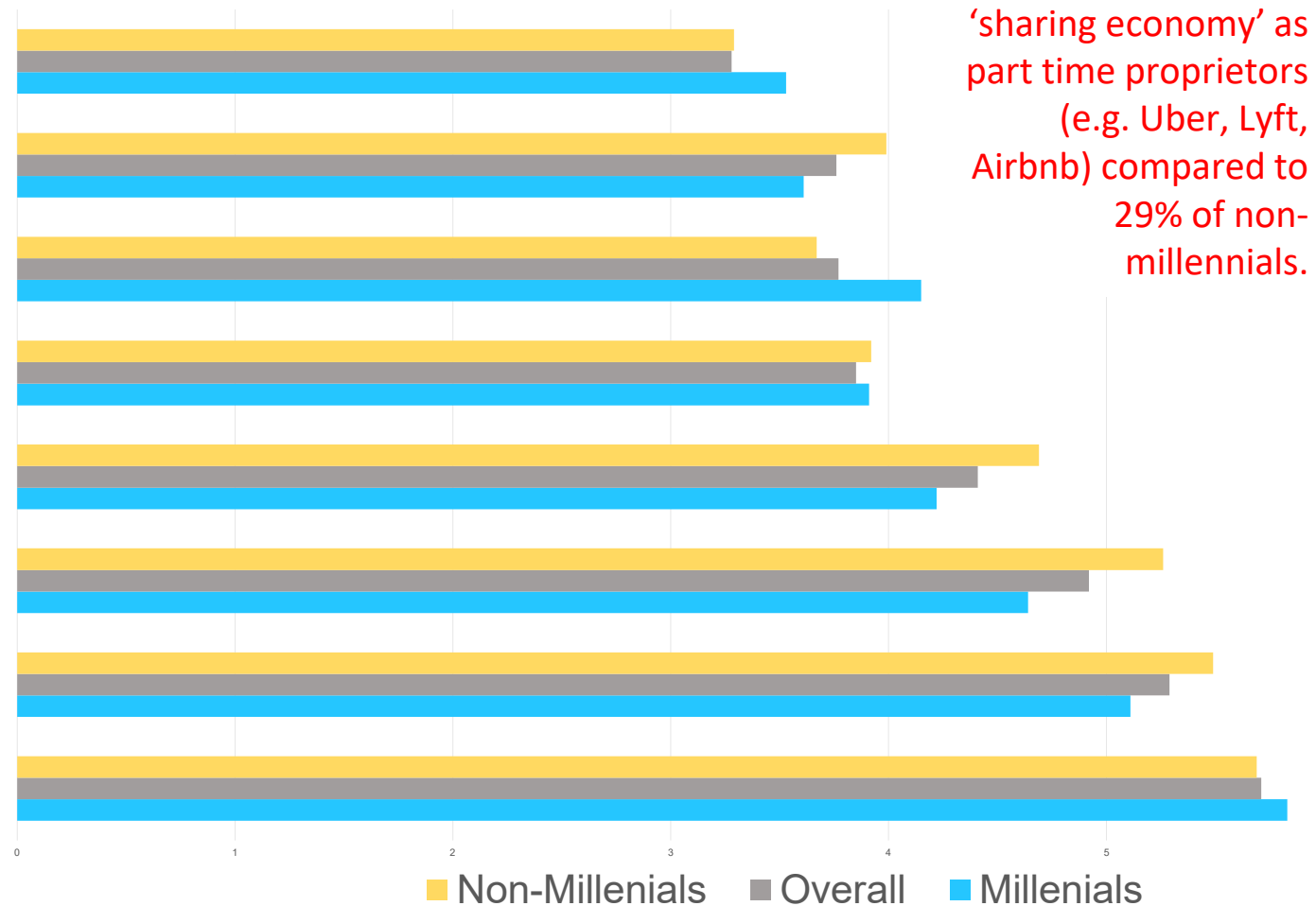
Home Improvement
/ Decorative Goods

Put in Savings

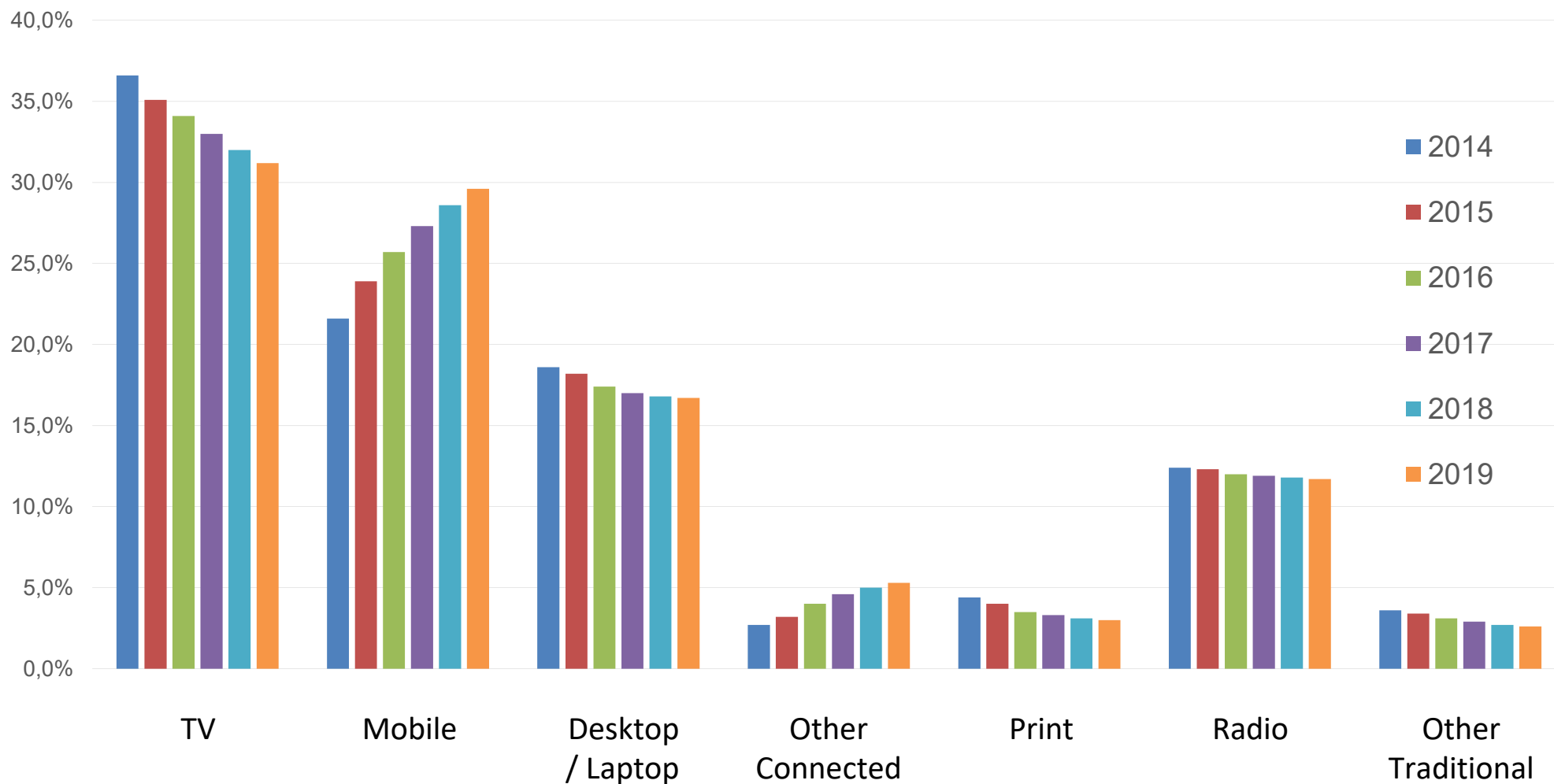
Clothes / Shoes / Accessories

Food & Drink

49% of Millennials are
likely to enter the
'sharing economy' as
part time proprietors
(e.g. Uber, Lyft,
Airbnb) compared to
29% of non-
millennials.



Average Time Spent per Day with Major Media by US Adults (minutes)



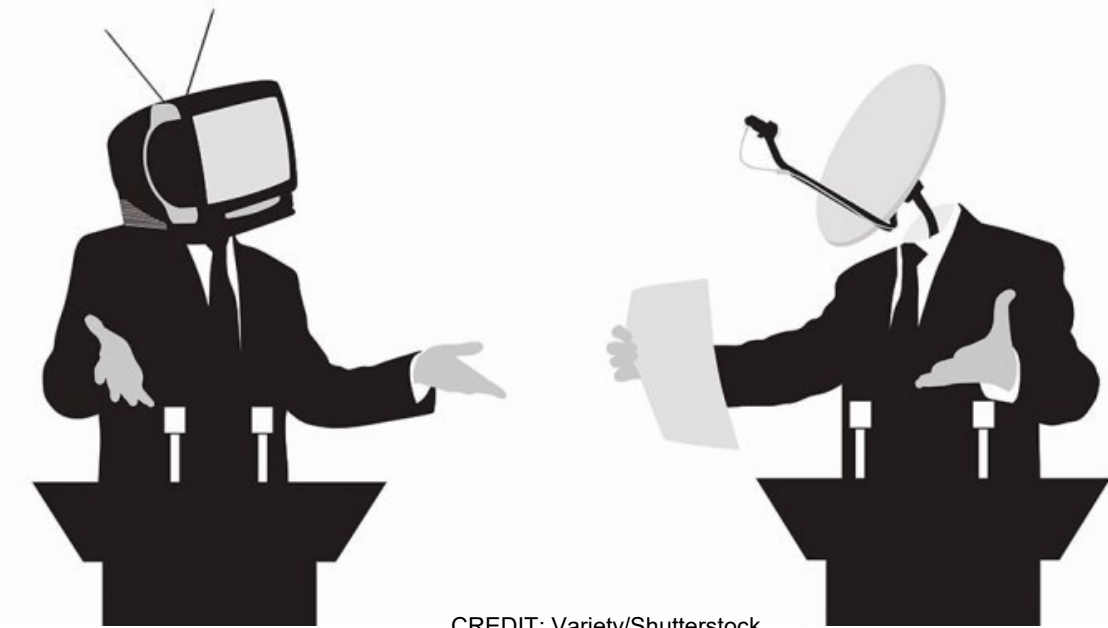
Unbundling Cable/ Satellite

**“21% of
current customers
considering switching”**
RBC Capital

eMarketer projecting a **33% increase** in U.S. adults **cancelling** traditional **pay TV** by the end of the year.

Subscription television and broadband are the **lowest-rated** categories among all industries tracked by the American **Customer Satisfaction Index**.

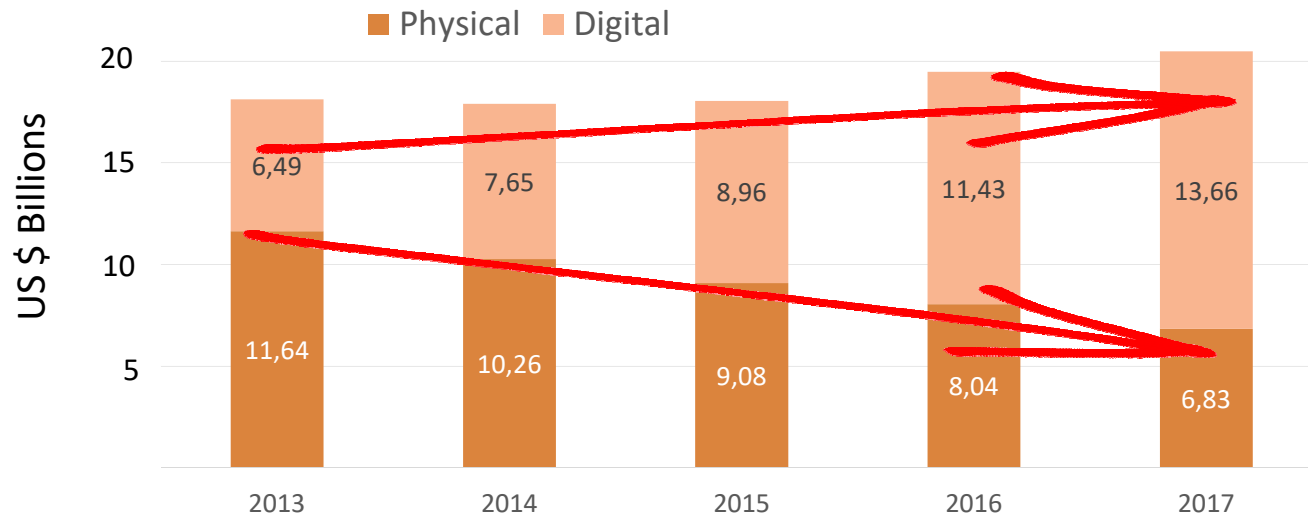
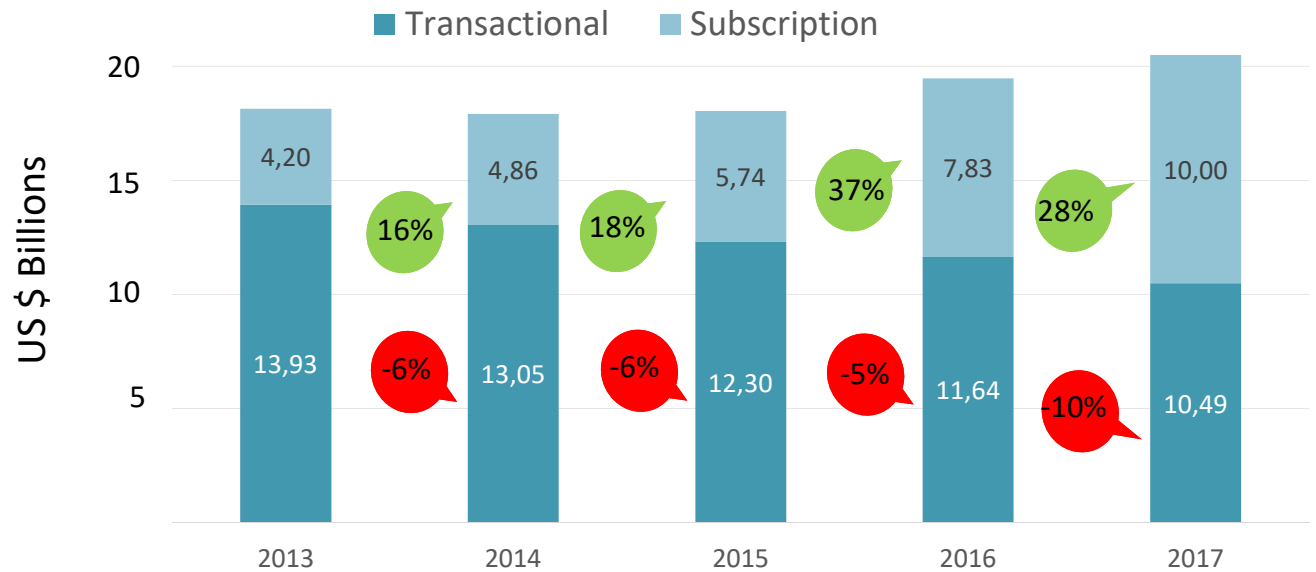
Subscription VOD: 72% of respondents subscribe to (or use) an SVOD or over-the-top service.



CREDIT: Variety/Shutterstock

- Netflix 61%
- Amazon Prime Video (41%)
- Hulu (18%)
- HBO Now (13%)
- Showtime (4%)
- CBS All Access (3%).

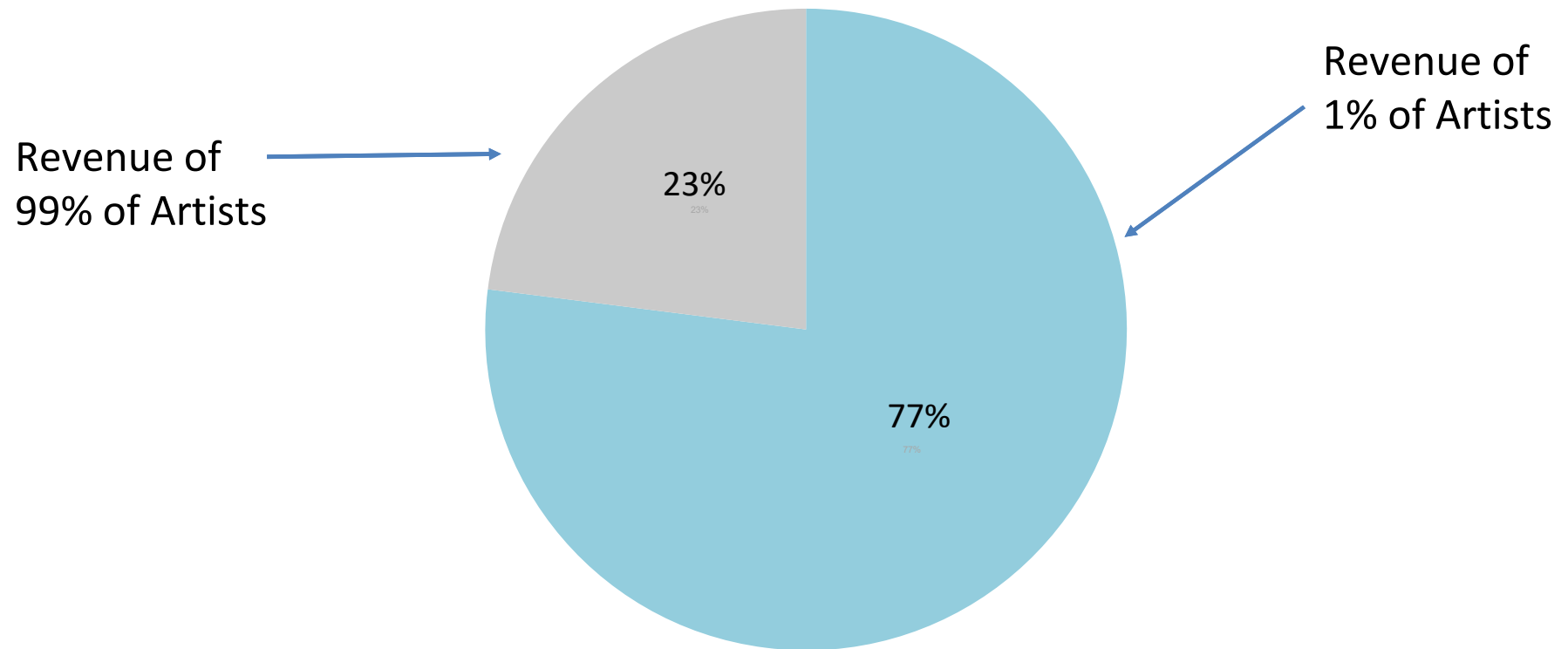
Implications of OTT Proliferation



Source: Needham 2018



The Global Recorded Music Market is a Superstar Economy



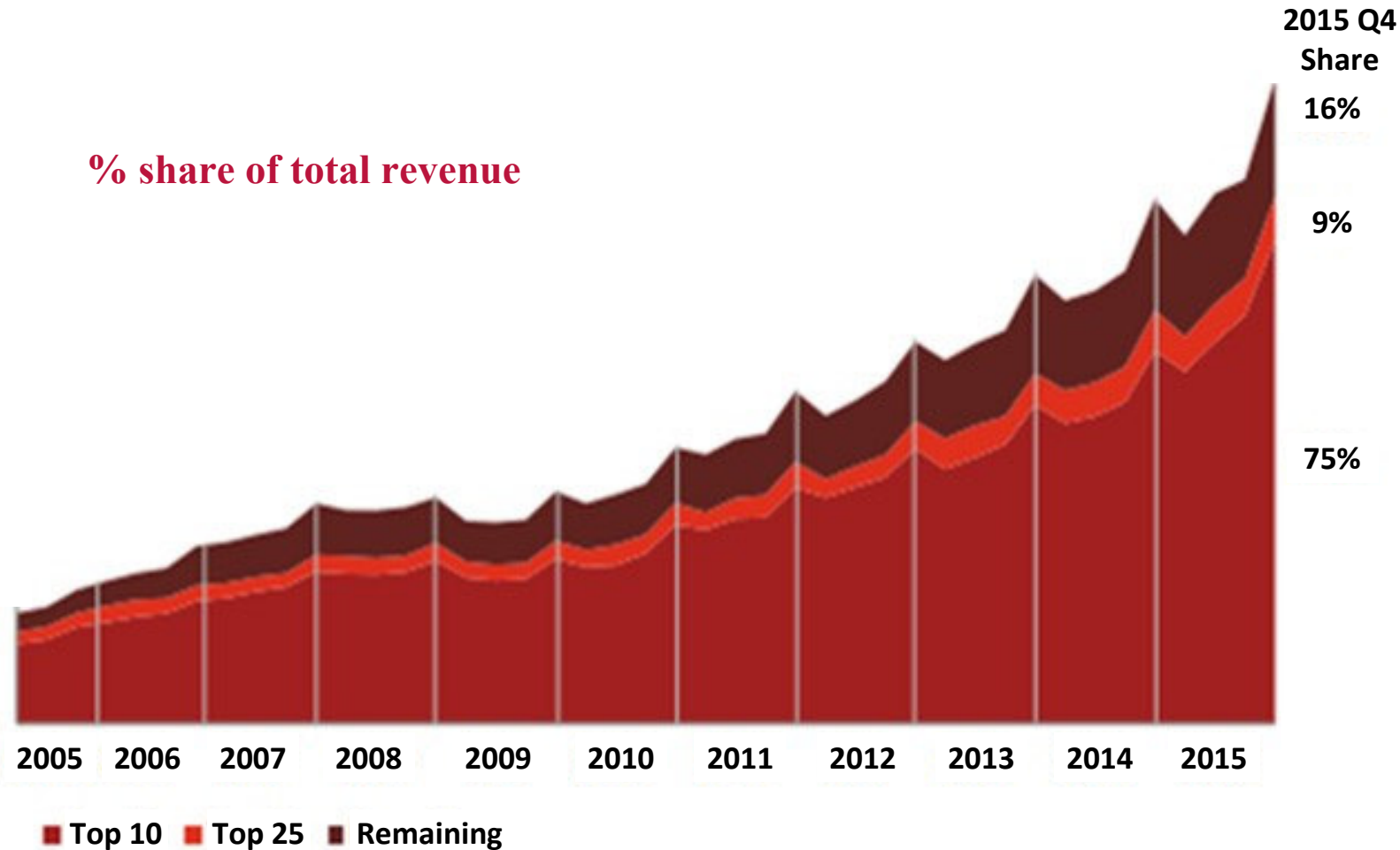
Distribution of Artist Recorded Music Income 2013

Revenue refers to digital and physical music sales

Winner-Take-Most Markets

US Digital ad spend will grow 15.9% this year

The top 10 internet companies commanded 75% of total digital advertising revenue.



Source: IAB and PWC, 1Q16.

Winner-
Take-Most
Markets

2011

2017

Harry Potter - Deathly Hallows \$381 M

Star Wars the Last Jedi \$620 M

Transformers - Dark Moon \$352 M

Beauty and the Beast \$504 M

Twilight - Breaking Dawn \$281 M

Wonder Woman \$412 M

Hangover - Part 2 \$254 M

Jumanji Welcome to the Jungle \$404 M

Pirates - Stranger Tides \$241 M

Guardians of the Galaxy Vol 2 \$389 M

Sum of Top 5 \$1,509 M

\$2,329 M

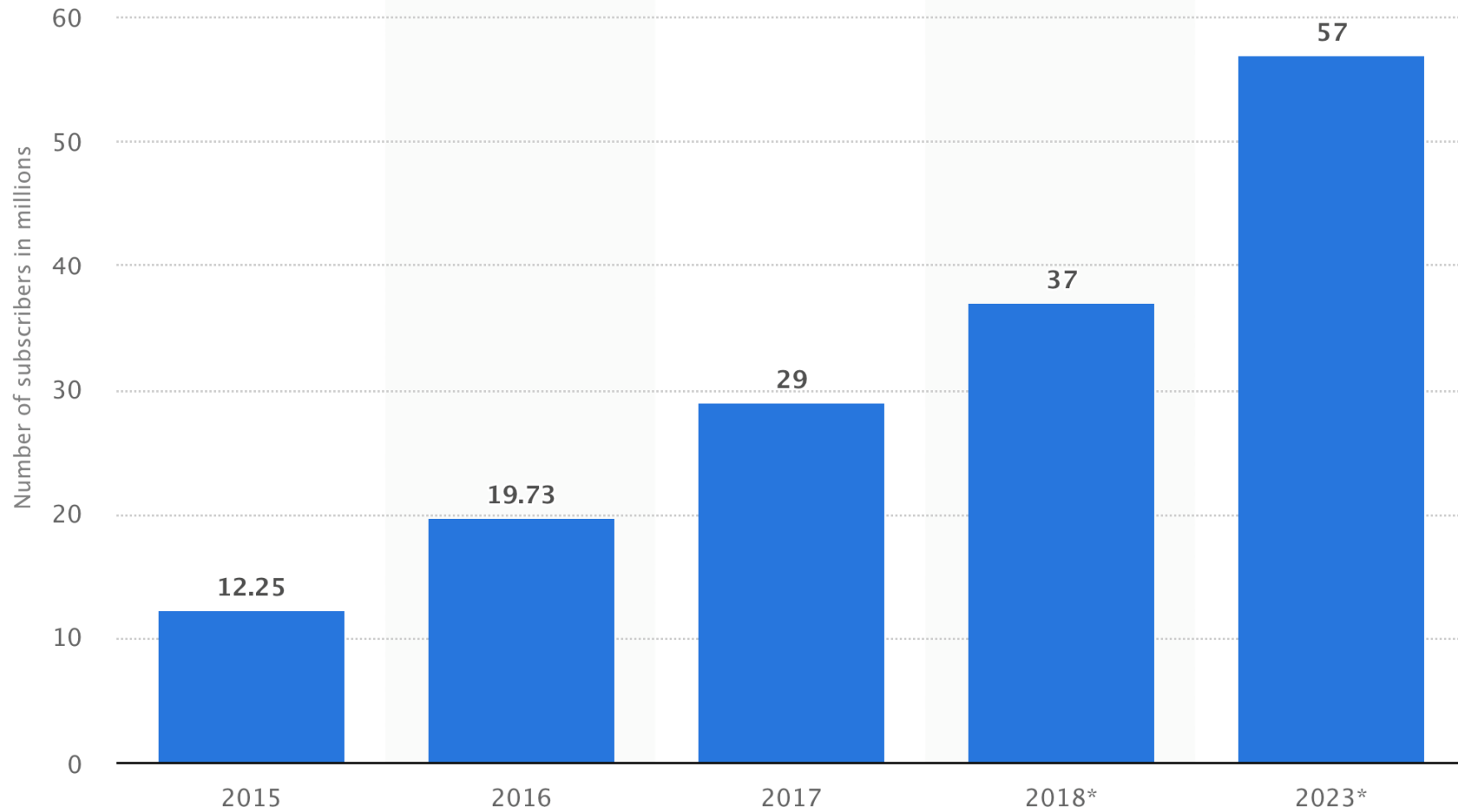
Domestic BO Gross \$10,170 M

\$11,070 M

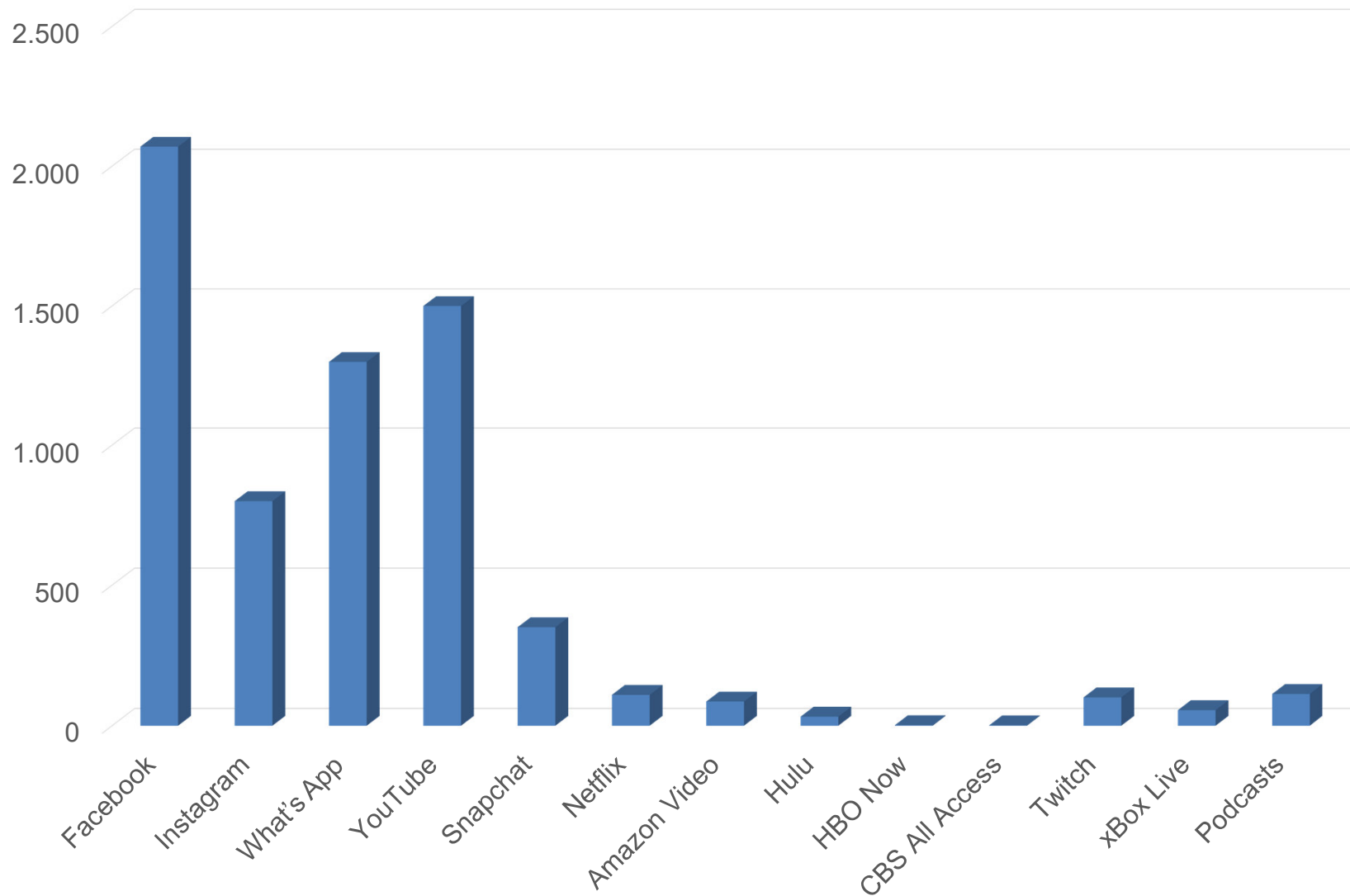
Top 5 Domestic BO 15%

21%

Number of Netflix Subscribers in Europe from 2015 to 2021 (in Millions)

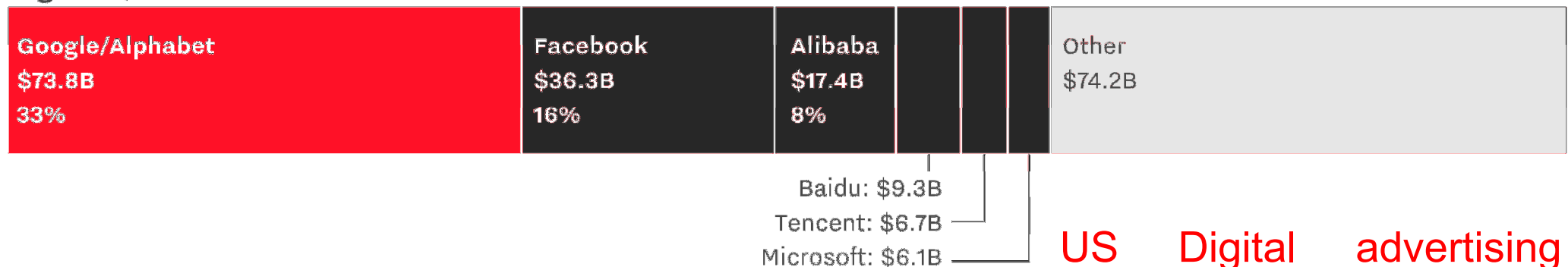


Digital Platforms

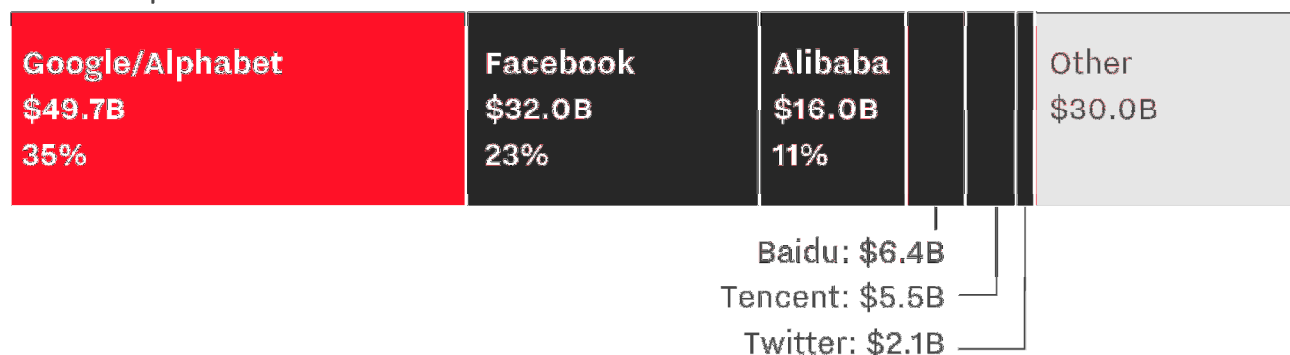


Global net ad revenue share for digital and mobile in 2017

Digital: \$223.7 billion



Mobile \$141.2 billion



Source: eMarketer

US Digital advertising sales surpassed linear TV ad sales in the U.S. for the first time in 2016, pulling in \$70 billion compared with \$67 billion for national and local TV, according to IPG Mediabrands' Magna.

Unbundling
Costs
Consumers
More

US Ecosystem Economics

\$72B	Advertising
+ \$75B	Subscription Revenue
= \$147B	TV Revenue

Additional Unbundled Content

49mm Netflix US subs	\$5B
12mm Hulu+ subs	\$1B
3.5mm CBS All Access + Showtime OTT	\$420mm
2mm HBO Now	\$360mm

Total extra for the same content repackaged:
 $\$6.78\text{B} / \$75\text{B} = 9\%$ more

Experience Trumps Cost

Source: Needham 2017



Disaggregation
and
Reaggregation

Lionsgate “Tribeca Short List.”

CBS All Access

Netflix

WWE

HBO

Hulu

Starz

ESPN

Showtime

Amazon Prime

DirecTV YaVeo Hispanicsic

Cinedigm Docurama, Con TV



Facebook

Amazon

Google

Vimeo

Roku

TiVo

Dish

X-Box

Verizon

Sling TV

PlayStation Vue

Formats
&
DRM



Formats
&
DRM



CBC

Input Control



3rd Party Services

- Link & Hand Over Control
- Control within Your UI
- Integrated Search
- Account Management
(Financial Proxy-ing)



In Summation

- Tools are making it Easy to Create Content
- Migrating from Ownership to Access
- From Collection to Curation
- Scale is Critical
- Customization & Personalization are Key

Thank You