

# Understanding video on demand content windowing

One of the biggest gripes about video on demand (VOD) is that of outdated or old content. However, there is a reason for this which many consumers are not aware of - a term called content windowing, which is a global practice.

“There is a path that cinema and TV content follows before it reaches our screens,” explains Taryn Uhlmann, executive head of operations and marketing at Discover Digital.

VOD is not just about having the ‘latest’ or the ‘most’ programmes on a service, on-demand adds a wealth of new entertainment options and ways to access these entertainment options, personalised to unique market segments.



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“Judging an on-demand service just on volume and newness of titles is a mistake. VOD services are coming to market as a digital, more convenient version of the physical video stores of the past. This means that each one will be subject to rights restrictions and forced to wait a certain amount of time before it may release new programming.

“A movie for example, will usually be released to theatres first, then it becomes available for purchase online known as Electronic Sell Through (EST), followed by DVD retail and rentals and Transactional Video on Demand (TVOD – the pay-per-view option for VOD, for example iTunes). It then goes to the first and second pay-rights holders, either to TV or to a SVOD (subscription video on-demand) catalogue - although in South Africa this is usually TV first, and then into Free to Air (FTA) or library SVOD. This is standard global windowing practice.

TV shows run through similar windowing and in the case of most big shows, the first rights to screen TV series will be bought by a particular network or media company, which will then often take the life of series rights for as long as the show is produced. Good examples are the Netflix-commissioned original productions 'House of Cards' and 'Orange is the New Black', distributed by Sony and Lionsgate respectively. Both titles' first run rights were bought by DSTV before Netflix started its global rollout strategy, so even when Netflix came to South Africa, it could not show the current series until the second run window opened, after DSTV has screened it.

## **Other benefits**

"In the case of both TV shows and movies, they can be snapped up by a major media company, forcing others to wait months or even years before they can screen them. However, this should not detract from the huge range of benefits VOD services can offer.

"Much like a traditional video store, VOD allows viewers to select from a large range of entertainment options, to catch up on series they may have missed on TV and to view these shows when and how they like. This means that new audiences discover older content for the first time, instead of waiting for it to be scheduled on their TV and they have the added benefit of experiencing it on a device of their choice. It further allows viewers to go back into the archives to revisit evergreen classics such as the TV series 'Friends', which tends to get re-watched time and again, despite an already long lifespan on free to air channels.

"Where viewers discover a series for the first time, they now do not have to come in at the end of the series – they can go back to Series 1 Episode 1 and binge watch from the start if they like."

## **Expanding audience access**

The latest episodes of any series are typically licensed to the pay-tv players with the largest budgets. These pay-tv services are often limited to a relatively small premium audience with the spending power to subscribe to pay-tv in the first place. Lower cost VOD may bring certain programmes to market later than pay-tv can do, but for lower income groups and non-pay-tv subscribers, VOD services are often the first and only opportunity to catch up on the entertainment everyone else is talking about.

Moving away from the traditional video store model, subscription video on-demand (SVOD) services give viewers access to a huge range of entertainment at a set price, far lower than viewers might pay to subscribe to pay-tv or to rent individual titles.

"Importantly, because subscription video on demand services are run on advanced digital platforms, they can personalise the viewer's experience and offer add-on services.

"Follow me technology allows viewers to pick up where they left off watching, even if they are logging on with a different device. Analytics helps SVOD services to understand exactly what viewers want to see, at what time of day, and customise and promote their offerings accordingly, while recommendation tools present new content for discovery. Kids can watch their favourite shows repeatedly at no extra cost, because the programmes are freely available for them to revisit.

## **Choosing SVOD services**

When choosing a SVOD service, viewers should not just be looking at how many programmes the service offers. "The service might claim thousands of titles but it is more important for viewers to choose their SVOD service based on how it is curated. How many of the shows appeal to their particular taste, how well the technology delivers the programmes to the device of their choice – laptop, phone, Smart TV or IPTV box - and how effectively it recommends other shows they will like.

"On-demand entertainment is supplementary to TV services and should be seen as a way to broaden and enrich our

options for entertainment. However, as the on-demand entertainment market becomes more mainstream, I expect to see VOD operators start to differentiate from each other by focusing on particular target markets with particular content focuses.

## **Short films to increase**

“On-demand entertainment companies will invest more in producing their own unique shows in future and more short-form entertainment will come to market for mobile viewers. We expect to see more exciting programming emerging that runs for between 30 seconds to eight minutes. These short programmes will be particularly compelling for those watching on smartphones and on the go. This is bred from a YouTube culture of viewing and sharing short form video content, although audiences want quality, curated programming without having to sift through endless hours of videos to find this.

“On-demand is still in its early stages, but it is shaping up to be the most exciting development in the entertainment industry in decades. We expect that in years to come, everyone will subscribe to several on-demand services that suit their particular tastes,” concludes Uhlmann.

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