#MTHCON23
Report

Peter Effenberg

At Babelsberg Studios, right where innovation in media technologies has been the tradition for more than 100 years, the **MediaTech Hub Conference** delivers your yearly MediaTech update for the film industry – for production, post production and distribution.

This year, more than 50 international speakers shared their expertise and ideas. They presented the latest MediaTech innovations and use cases. About 600 professionals from broadcasters, VoD platforms and production companies, technical providers and industry associations, as well as young talents and startup founders were gathering on September 27|28, 2023 in Babelsberg.

This #MTHCON23 report provides you with a summary of what we learned and discussed and breaks it down for your daily business.

This year's trends

▶ **#Audience**

▶ **#Monetisation**

▶ **#Artificial Intelligence**

▶ **#Data**

▶ **#Transformation**

Opening of #MTHCON23 at Rotor Film Cinema (Expert Stage) on Sep 27, 2023

The curator team of MediaTech Hub Conference, consisting of AC Coppens, Melissa Vey and Peter Effenberg is carefully looking into the developments film, TV and streaming industry regarding Tech and Business, defining the state of the industry every year. For 2023 they summarized **five trends** which drive the industry mainly. These Trends found their discussion at the #MTHCON23 Expert Stage with four content tracks.

While **#Audience** is adopting IT-driven streaming technologies, distributors need to focus of how to present, aggregate and recommend content. At the same time, subscriptions for SVOD are declining as well as the advertising market (at least in Europe) is shrinking and new ways of **#Monetisation** are desperately in need. **#Data** might be the key for both of it. And, of course, since the disrupting emergence of **#Artificial Intelligence**, the industry needs to investigate it from all parts of the supply chain. So – as the industry is facing an ongoing **#Transformation** since the invention of film – the current changes of the industry might be one of the most significant of all times.

#MTHCON23 Trend
transformation

#Transformation

„Transforming an Industry": Laura Jenner (ITVX) and Mark Harrison (dpp) opened #MTHCON23 with a discussion on the ongoing transition in the broadcasting and streaming industry.

Transforming Broadcasters into Streaming platforms

With the rise of global giants like Netflix, Prime or Disney, many expected the downfall of nationally acting broadcasters. Today, broadcasters may come late to the party but simply every TV station is currently transitioning to a streaming platform, to delight audiences wherever they are and whenever and however they choose to watch (Jenner). And although every single content provider in the world suffers from issues of attribution (Harrison: „It is about „what do I want to watch" and not „what platform I want to watch"), there is still trust of audiences and advertisers into brands, meaning decade long existing broadcasters and their extension at own streaming platforms.

Opening Session #MTHCON23 at Rotor Film Cinema (Expert Stage) on Sep 27, 2023

#Transformation

Brands need to work on this trust, that audiences can find at their platforms the content they want to see. So, we need to speak about how to commission the content (Jenner). As well, there is a huge demand for content created *inside a territory*. The global streaming market might be already broken (Harrison).

From left to right: Holger Volland, Laura Jenner, Mark Harrison

The Human Factor

Transforming the industry from broadcast to platforms means as well a transformation of the strategy of organizations and this is also related to many new technologies in need for that shift. While enabling employees of media organisations continuously to adapt their skill sets and their mind sets, this is a constant change, and it is never the *one* big transition, but a lot of small steps and you need to find your optimal path through them. Transformation is like software – it is never finished (Jenner). And to take your employees with you costs you a huge amount of money (Harrison).

The Tech Dilemma

While the industry is facing constant tech changes since the beginning, it tends to discuss emerging tech always as it would replace all we did before – but we have seen, that this is not the case, and it won't even be it with AI. Tech is always a tool and not the end product (Harrison).

Action | Comedy | Thriller | Family | Drama
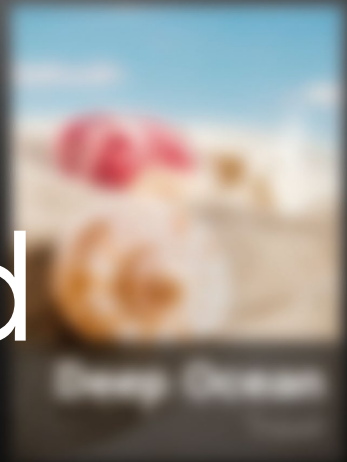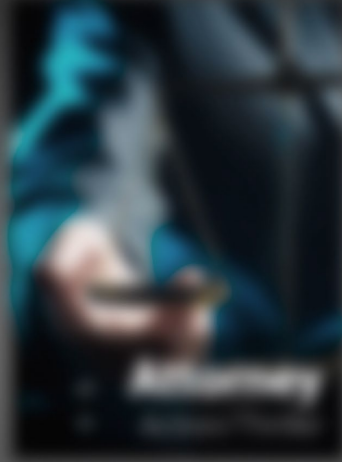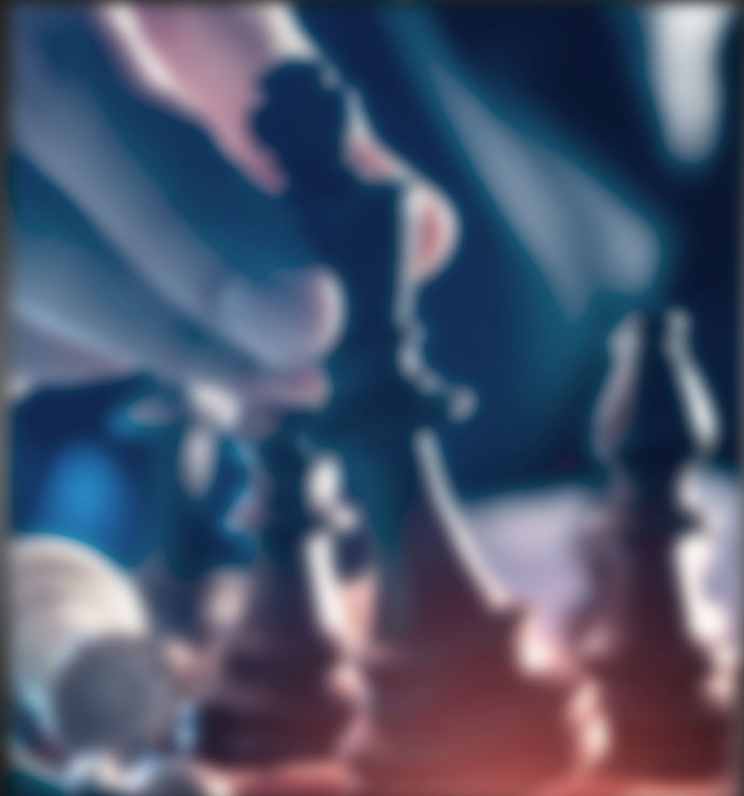
#MTHCON23 Trend
audience

#Audience Takeaways

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- The huge number of services and content leaves audiences more and more overwhelmed

- Viewing data already has a huge impact on the commissioning, recommending and monetizing of content.

- The data currently being collected might not be precise enough. The question arises: What do we want to find out?

- The integration of technology, particularly smart technology, is pivotal in engaging modern audiences.

We thank Sten-Kristian Saluveer, Head of Cannes Next, for his support in collecting the key takeaways
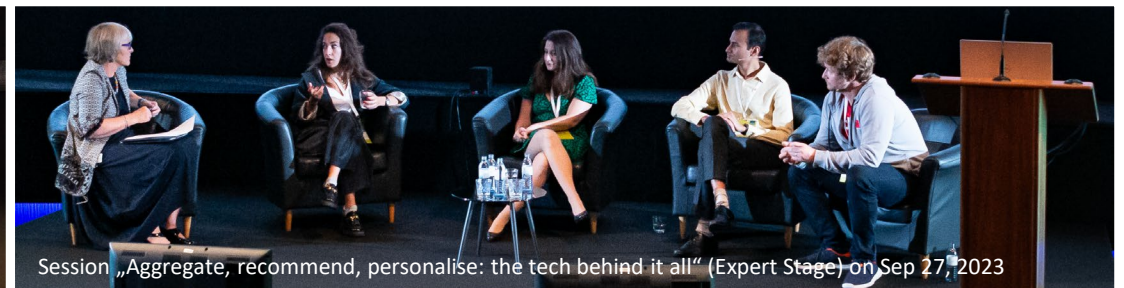
#Audience

Two sessions discussed current developments for #Audiences. Producers Angela Monecke (Working Title Films, London) and Helga Löbel (UFA, Babelsberg) dived into <u>Decoding audience behaviour</u> with Hans Hoffmann (EBU, Geneva) and Till Sudworth (NPAW, Barcelona): Who really knows what audiences want – or rather, can we determine it more accurately? Who are we actually producing audiovisual entertainment formats for? And what do we do with this information?

How can audiences find what they are looking for across all the services they are using?

Einat Kahana (Viaccess Orca, Tel Aviv), Hannah Taieb (Spideo, Paris), Rahul Patel (Ampere, London) and Simon Hawe (joyn, Munich) continued with a debate on <u>Aggregate, recommend, personalise: the tech behind it all</u>: Never had audiences so much choice in terms of content or platforms, but they are increasingly lost the same time. Aggregating the fragmented content (providers) is as much of a challenge as recommending content across platforms. Added to this, personalisation has actively found its calling in marketing deployment across B2B and B2C with equally vigorous effect.

Session „Decoding Audience Behaviour" (Expert Stage) on Sep 27, 2023

Session „Aggregate, recommend, personalise: the tech behind it all" (Expert Stage) on Sep 27, 2023

#Audience

Session „Decoding Audience Behaviour" (Expert Stage) on Sep 27, 2023

There is a lot of data about user behaviour, and it gets increasingly taken serious by streaming platforms and broadcasters. Hans Hoffmann (EBU, Geneva) calls data the „gold" of the business or simply „money". Data is already changing the game in commissioning content, recommending it and monetising it better.
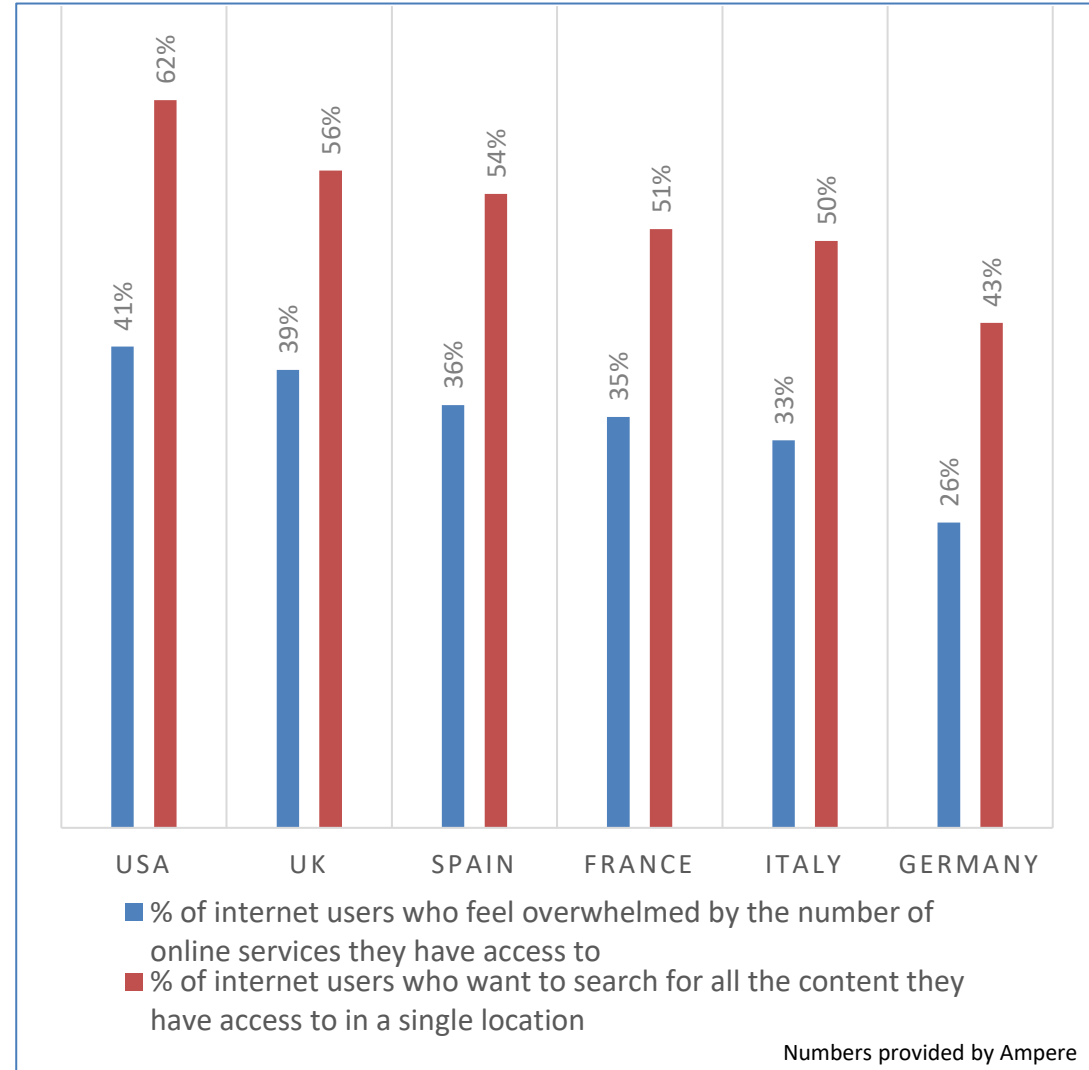
Besides this, data quality is often in discussion. As well, data is mainly available on questions like *How long did a viewer watch?* or *Which content did a user watch?* or *On which device a viewer watch content?*. More detailed user insights are in need but still not delivered or accessible.

Helga Löbel (UFA, Babelsberg) added, that user data are not shared with producers but that could have a huge impact on producing and presenting content.

Till Sudworth (NPAW, Barcelona) says if platforms would share current data, this could help answering the question of what product is driving the business – and adapting content in quality.

#Audience

Consumers feel increasingly overwhelmed by the number of VoD services that they have access to – leading to an increase in the desire for content aggregation services

8 USA — Apple TV+ | Disney+ | Hulu | Max | Netflix | Paramount+ | Peacock | Amazon Prime Video

6 UK — Apple TV+ | Disney+ | Netflix | NOW | Paramount+ | Amazon Prime Video

5 France — Canal+ Series | Disney+ | Netflix | Paramount+ | Amazon Prime Video

5 Italy — Disney+ | Mediaset Infinity | Netflix | Paramount+ | Amazon Prime Video

4 Germany — Disney+ | Netflix | Paramount+ | Amazon Prime Video

4 Spain — Movistar+ | Disney+ | HBO Max | Netflix | Amazon Prime Video or Movistar+

Number of services required to watch
25 most popular titles on SVoD, July 2023

provided by Ampere

	USA	UK	SPAIN	FRANCE	ITALY	GERMANY
% of internet users who feel overwhelmed	41%	39%	36%	35%	33%	26%
% of internet users who want to search in a single location	62%	56%	54%	51%	50%	43%

■ % of internet users who feel overwhelmed by the number of online services they have access to

■ % of internet users who want to search for all the content they have access to in a single location

Numbers provided by Ampere

#MTHCON23 Trend
monetisation

#Monetisation Takeaways

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- ▸ Distributors and producers are starting to get creative to access new revenue streams (e.g. NFTs)

- ▸ Big players are putting content at the centre of monetization, as the audience's attention is the main currency

- ▸ Internet connected TV's (CTVs) offer lots of new opportunities for making money. They are aggregators, monetising the content journey and the content itself alike

- ▸ Macroeconomic pressures putting pressure on household budgets, threatening to increase churn

- ▸ Concepts like in-stream shopping can capitalise on these new developments and might become one of the major revenue streams

- ▸ Automated royalty remuneration is in much need and shows great potential for additional revenue for producers

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#Monetisation

Session Tech for new revenue: Content monetisation beyond the usual sources on Sep 28, 2023

The film, TV and streaming industry is desperately looking for new revenue streams besides subscription models and advertising. #MTHCON23 showed some brand-new use cases:

Danny Jeske, Product Growth Manager at streaming platform RTL+ presented the project "Sisi NFT Collection". In partnership with Story House & Arvato Systems, RTL+ released a limited edition of NFT collectibles for the "Sisi" event series, realizing 74% of the revenue potential.

Modernizing royalty payments in film, TV and games, from consumers to content creators with an automated software, will set a paradigm shift in the creative industries, said Maria Tanjala from FilmChain. Transparency and fair remuneration is in much need and shows great potential for additional revenue for producers.

In-stream shopping could be one of the major revenue streams for streaming platforms in the future – if it is done seamless first screen, directly related to the content and combined with general information, added Irmela Wrogemann, CMO of jay.
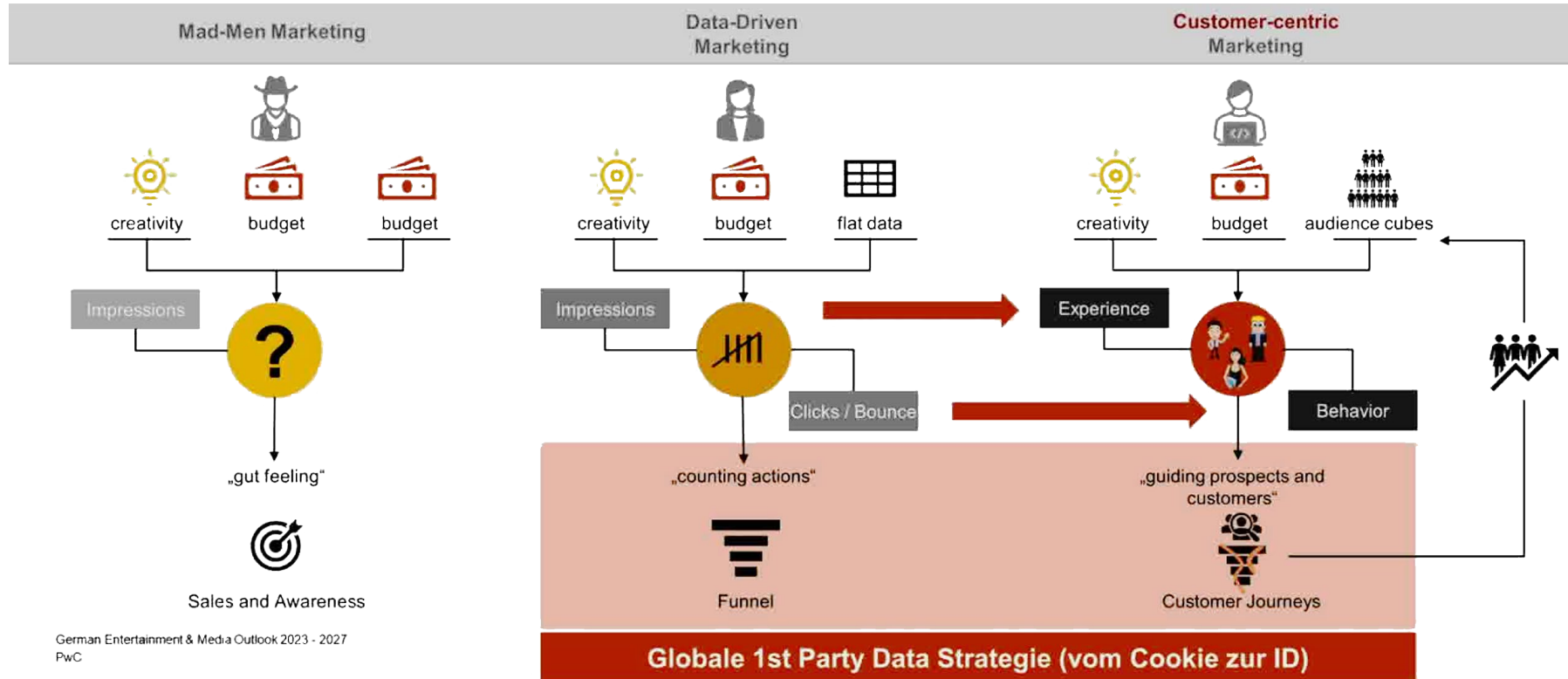
#Monetisation

The massive increase in both content and streaming services is transforming the streaming landscape. While the global SVOD market size is projected to reach US$ 115,153.76 million by 2028 (Valuate Reports, Feb 2023), more SVOD services are launching ad tiers to grow revenues. At the same time, the ad market in Germany is shrinking in 2023 from 4bn to 3,87bn Euro.

Sabine Anger, SVP Streaming at paramount+ and Ralf Hape, CEO of sky media discussed current strategies of the prominent players in the industry, putting content in the centre of monetisation. As content has high production costs, the major question is, how to market content in such a way that it has the greatest possible reach for the (advertising) customer. As well, internet connected TVs are a major enabler for various innovations in advertising technology, including interactivity, virtual ad placement, shoppable TV, dynamic ad insertion, programmatic exchanges, and more. CTV manufacturers are becoming the new content aggregators and can monetise the content journey as well as the content itself.
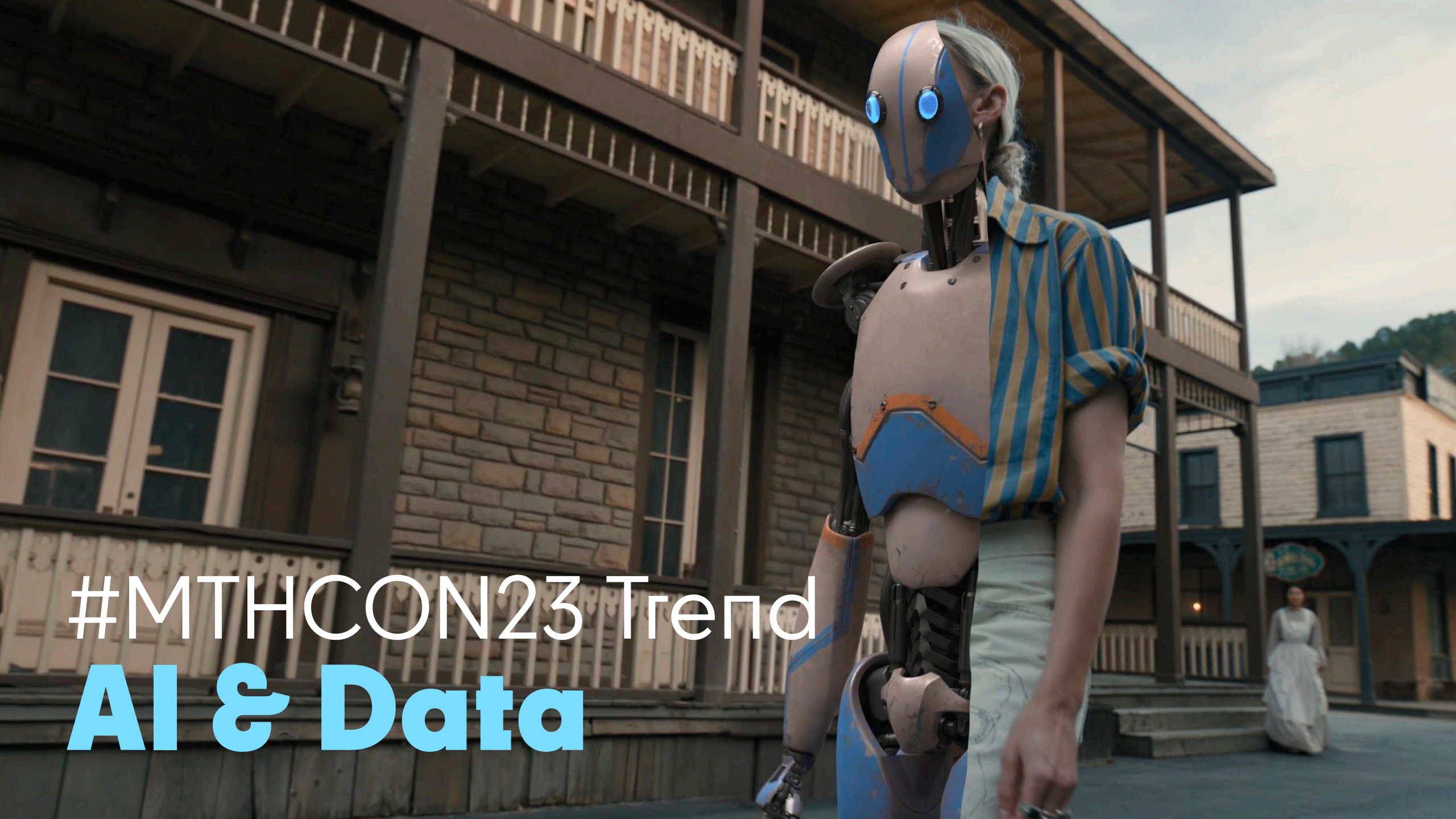

Session: Content, monetisation and advertising – the big leagues on Sep 28, 2023

#Monetisation

The market is in transition, without consistent First-Party Data strategy
the programmatic reach collapses

Mad-Men Marketing	Data-Driven Marketing	Customer-centric Marketing

creativity   budget   budget

creativity   budget   flat data

creativity   budget   audience cubes

Impressions   ?

Impressions   Clicks / Bounce

Experience   Behavior

"gut feeling"

"counting actions"

"guiding prospects and customers"

Sales and Awareness

Funnel

Customer Journeys

German Entertainment & Media Outlook 2023 - 2027
PwC

Globale 1st Party Data Strategie (vom Cookie zur ID)

#MTHCON23 Trend
AI & Data

#AI Takeaways

- We are at a tipping point, a huge increase in quality and especially usability of AI tools is to be expected in the next couple of years

- High level professional users might actually benefit last from generative AI, as they need a very precise level of control

- Achieving a high level of quality and control over content with AI tools is not possible yet. Nonetheless, advertisement agencies are already using AI tools and cutting out the studios altogether – and accepting the quality loss

- AI is already integrated in lots of tools, and you might not even notice it

- Three years from now, the traditional pipeline for VFX production might still look pretty similar to what it is now

- VFX artists get to add humour to every single frame. That charm might get lost by using AI tools

- AI offers lots possibilities for the industry. Not only for content creation, but also other aspects like fair royalty payments

We thank Sten-Kristian Saluveer, Head of Cannes Next, for his support in collecting the key takeaways

#AI & Data

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Three sessions discussed current developments for #Artificial Intelligence. It started with creativity as Evan Halleck (VFX Producer, Los Angeles) spoke about his work and how he is exploring the frontiers of AI-generated visual content.

Some of the most interesting AI Tools that could be co-workers for creatives were introduced by Volha Paulovich (PentoPix, London), Cæcilie Bach Kjærulf (MediaCatch, Copenhagen), Rob Hall (Flawless, London), Tijana Prodonovic (Wonder Dynamics, Novi Sad) and Aaron Jones (Yepic AI, London).

Rick Grandy (NVIDIA, Los Angeles) spoke about how artists and producers are searching for creative solutions, utilizing new techniques to produce their content. From illustration to 3D animation, concept design to final frame, creators are finding advanced tools that accelerate their workflows and present exciting possibilities.

Rob Hall

Tijana Prodanovic — wonder

Rick Grandy — NVIDIA.

Volha Paulovich — PentoPix

Caecilie Bach Kjærul — MEDIA CATCH

Aaron Jones — YEPIC·AI
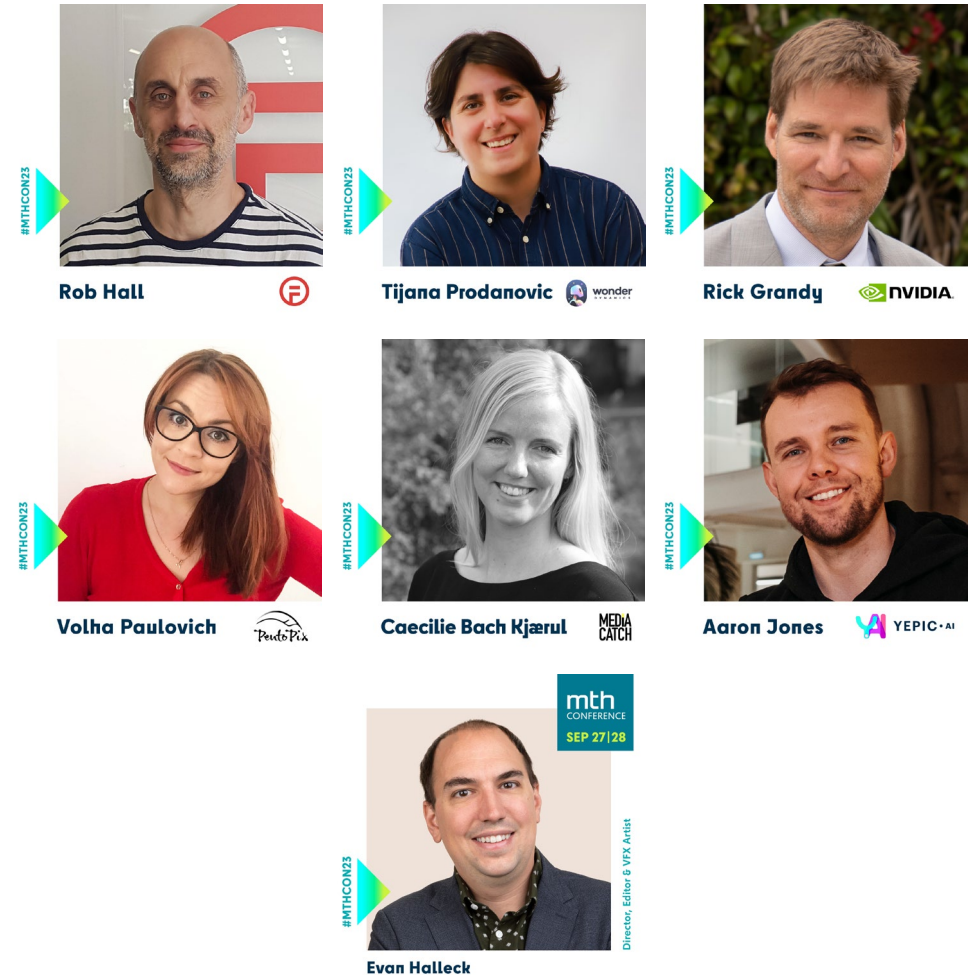
Evan Halleck

#AI: Evan Halleck

Exploring the frontiers of AI-generated visual content

The AI tool Gen-2 by Runway is making waves with its ability to turn words into videos, while Midjourney produces hyper-realistic images which easily deceive viewers into thinking they are real. These text-to-image programs have already revolutionized the image production process, but AI developers will need to explore further to unlock its full potential. The question remains, how far will they push the boundaries?

Creating whatever you imagine with just one sentence offers great opportunities for entry level creators. Big studios, on the other hand, usually have a very clear vision of the aesthetics of their content. Very specific tasks like rotoscoping on a professional level have been supported by AI tools in the past already. But as soon as a creative aspect comes into play, tools are far from providing the necessary level of quality and especially control of the output.

Session: Exploring the frontiers of AI-generated visual content (Expert Stage) on Sep 27

#AI Timeline

	PRE-2020	2020	2022	2023?	2025?	2030?
TEXT	Spam detection Translation Basic Q&A	Basic copy writing First drafts	Longer form Second drafts	Vertical fine tuning gets good (scientific papers, etc)	Final drafts better than the human average	Final drafts better than professional writers
CODE	1-line auto-complete	Multi-line generation	Longer form Better accuracy	More languages More verticals	Text to product (draft)	Text to product (final), better than full-time developers
IMAGES			Art Logos Photography	Mock-ups (product design, architecture, etc.)	Final drafts (product design, architecture, etc.)	Final drafts better than professional artists, designers, photographers)
VIDEO / 3D / GAMING			First attempts at 3D/video models	Basic / first draft videos and 3D files	Second drafts	AI Roblox Video games and movies are personalized dreams

Large model availability: ● First attempts   ● Almost there   ● Ready for prime time

provided by Sten Kristian Saluveer, SEQUOIA

#AI creative co-worker tools

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AI tools presented and discussed at #MTHCON23, part 1

PentoPix

AI assisted
video creation platform.
Automagically turn a Script to
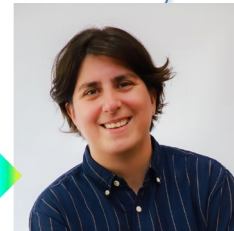Storyboard to 3D Visualisation.

pentopix.com

Volha Paulovich — PentoPix

Wonder Dynamics

An AI tool that
automatically animates, lights
and composes CG characters
into a live-action scene.

wonderdynamics.com

Tijana Prodanovic — wonder

Flawless

AI-powered tools
for filmmakers, studios and
distributors, especially
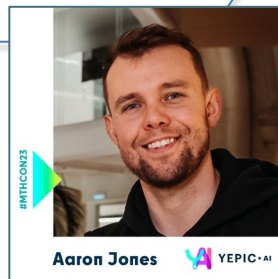Cinematic Lip Syncing.

flawlessai.com

Rob Hall

#AI creative co-worker tools

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AI tools presented and discussed at #MTHCON23, part 2

Yepic AI

AI Video Toolkit
to create, dub and
personalise videos
anywhere.

yepic.ai

Aaron Jones · YEPIC·AI

Media Catch

AI-driven media monitoring
tool, that tracks and
analyses Danish media in
real-time regarding persons,
content and diversity.

mediacatch.io

Caecilie Bach Kjærul · MEDIA CATCH

NVIDIA

Solutions for AI, simulation,
real-time ray tracing, virtual
production and other
technologies for media.

nvidia.com

Rick Grandy · NVIDIA

PART 1
TEXT & IMAGE GENERATION BASICS 45'
LARGE LANGUAGE MODELS AND DIFFUSION MODELS

&

PART 2
INTERACTIVE CHALLENGE 60'

#MTHCON23
horizon stage

This year's Horizon Stage in a nutshell

Track: First Global MediaTech Pitch Day on Horizon Stage on Sep 28, 2023

On our partner stage, we tried to look outside the box and beyond the horizon:

▶ **Journalism and AI**

▶ **Global MediaTech Pitch Day**

▶ **Hands on: Generative AI**

▶ **Guest of Honour Norway**

How do our colleagues from Norway deal with the changes in the industry? What does the future hold as a new generation of startups is hitting the market? And how can journalism deal with the uprising threats of AI for society? Together with Raw Ventures, we carried out our biggest pitch day so far, with the opportunity for participants to rise up to 1 Mio € in investments. Jacques Alomo presented the opportunity to do a hands-on deep dive into generative AI.

Track: Guest of Honour Norway

For the first time ever, #MTHCON welcomed a Guest of Honour at the conference. Some of the most important representatives of the **Norwegian Film, TV and Streaming industry** shared their strategies and thoughts on the media landscape of the future.

Inge Throud, Head of Product Strategy at NRK, Norwegians biggest public broadcaster, shared their strategic pillars on how they fulfil their public service mission in todays fragmented media landscape. As 91% of the Norwegian public uses this service daily, the success is apparent!

Four Startups from Media City Bergen, also known as The Norwegian Media Cluster, presented their products. The presenting startups <u>Mimir</u>, <u>Muybridge</u>, <u>Cutting Room</u>, and <u>Factiverse</u> were moderated by Helge O. Svela, the CEO of Media City Bergen.

Rounding up the Expert Stage on day one, Sveinung Golimo (Nordisk Film), Stein B. Kvae (Drylab) and Tonje Vågen Aase (Monster) discussed the rapid changes of the global and local Film, TV and Streaming industry and how they tackle them in Norway. The session was moderated by Meghan Beaton, Film Commissioner of Norway.

This track was presented by & curated in collaboration with:

Inge Thorud, NRK

NORWEGIAN FILM COMMISSION

Innovation Norway

Media City Bergen

Track: Journalism & MediaTech

Eva Wolfangel

Journalists Richard Gutjahr and Eva Wolfangel started this track by discussing 7 controversial theses on why journalism might be doomed. After that, Holger Volland, CEO of brand eins, Anna Lena Schiller, Head of Tech at Algorithm Watch and Sascha Devigne, Editor in Chief at STUDIO 47, joined the panel. Their discussion revolved about the three aspects of how the work of journalists itself will be affected by AI, what effects AI will have on the content (-> #disinformation) and the effects of AI in media on society in general.

- AI can be used counter intuitively: let the AI create a generic response and then do the opposite of it
- The future of journalists will lie in the curation of information, condensing what is important in a sea of content.
- For small outlets, AI can be a lifesaver, as it can take over the basics of a report.
- The real danger of disinformation through AI generated content does not lie in deliberate fakes (as they will be detectable), but rather in stories that consist out of a lot of true statements slightly taken out of context or mixed with nuances of untruth, as this is very difficult to detect.
- A journalist won't be replaced by AI, but they will be replaced by a journalist using AI

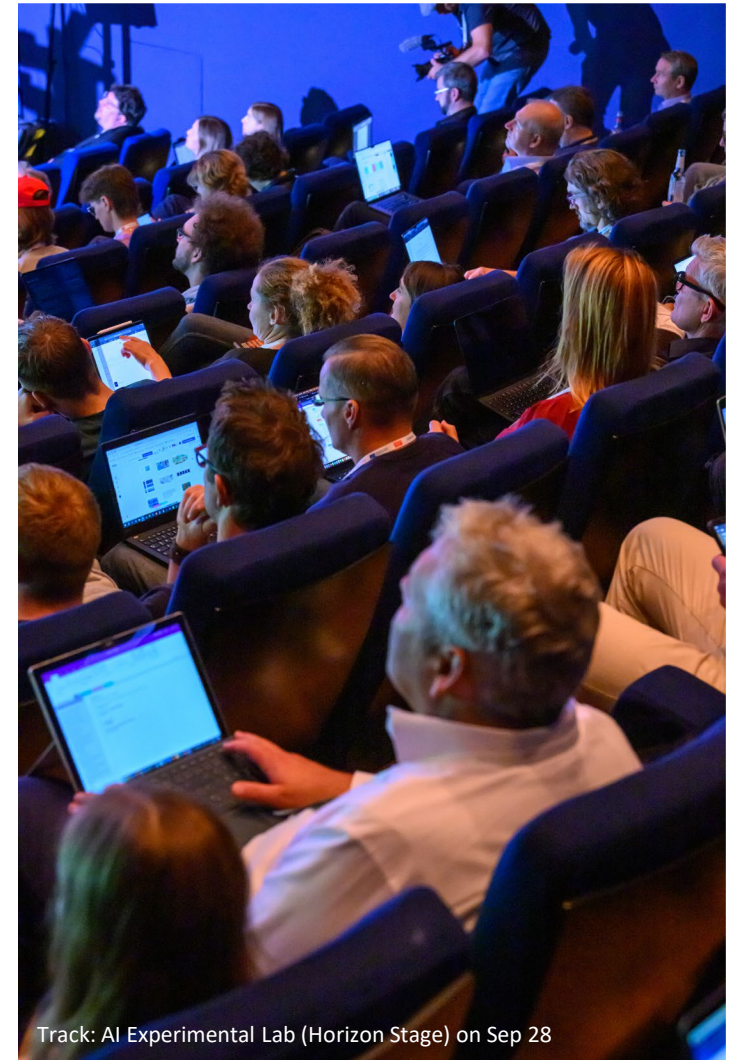*This track was presented by & curated in collaboration with:*

MIZ

Track: AI Experimental Lab

For this track, **Jacques Alomo from creamlabs AI** gave the audience access to creamlabs' tools, as participants brought their own laptops.

After an introduction on what is currently possible with **generative AI** and on how to optimize the output by adjustments in prompting, participants had the chance to try the tools themselves and share their results on the big screen.

- Imperfections might limit professional use (for now) regarding final output. For creating concepts and drafts, it is already very usable

- As soon as the context window (working memory) gets big enough e.g. for a full script, things will start to get interesting

- Consistency is still a problem. Workaround: using popular foundations like famous actors will make the faces more consistent

- New workflow approach: **"It's easy for AI to generate an image with perfect hands – if you generate hundreds of images and find the best ones"** – Jacques Alomo

This track was presented by & curated in collaboration with:

Economic Development Agency | Brandenburg

EUROPEAN UNION
European Regional
Development Fund
www.efre.brandenburg.de

CLUSTER
ICT, MEDIA AND
CREATIVE INDUSTRIES
BERLIN BRANDENBURG

Track: AI Experimental Lab (Horizon Stage) on Sep 28

Track: Global MediaTech Pitch Day

Together with our partner Raw Ventures, this year's pitch day reached unprecedented dimensions:

Out of more than 300 applicants, Raw Ventures selected 10 finalists. The startups were able to pitch to a broad audience of media professionals. The jury awarded 10.000 € for the best pitch. Startups had the chance to raise a 1 Mio € investment from Raw Ventures.

The jury:

Anna Shakola – Chief Business Development Officer of Cointelegraph Accelerator

Andreas Schepers – Head of Communications of the German Research Center for Artificial Intelligence

Andreas Sternberg – Entrepreneur

Victoria Palatnik – CEO and Managing Partner at Raw Ventures

This track was presented by & curated in collaboration with:

Winners:

- Setmixer – Winner of **Main Award**
- Winkt – Winner of **Audience Choice Award**
- Maekersuite – Winner of **AI Choice Award**

Other finalists:

Virtueleap, Homi, Muybridge, FOMO, Legitimate, Filmustage, and Queels

Track: First Global MediaTech Pitch Day (Horizon Stage) on Sep 28

Future Where MediaTech Trends Creativity and Technology Intertwine

#MTHCON23
Expert Stage

#MTHCON23
impressions

Maultaschen
(mit Fleischfüllung)
an kartoffel- und
Blattsalat

German Dumplings
with Salats. (meat)

for free!

#MTHCON23 Report

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Thank you to all partners, sponsors and speakers!