Building a Renewable Entertainment Franchise

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Building a Renewable Entertainment Franchise

This presentation explores some of the challenges and opportunities of creating a franchise of entertainment content in today's digital landscape and suggests one possible alternative to 20th century models.

Maximizing franchise revenue requires preserving brand presence through a combination of marketing and consistently offering new content to maintain consumer awareness of and interaction with the franchise.

The renewable franchise model supports the sustained generation of fresh content and encourages closer interaction between fans and the franchise.

The case for a renewable entertainment franchise is presented in the following sections:

Introduction –technology disruptions, digital content and fans as content creators
Challenging Common Cents – responding to the new entertainment landscape
A New Model – summary of the renewable franchise model
Building a Renewable Franchise – important approaches to building this franchise

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Introduction

TECHNOLOGY DISRUPTION YIELDS OPPORTUNITY

Technology advancement is the single biggest disruption to the entertainment industry, changing not just how content is created but also how it is distributed and consumed. These changes challenge several core tenets of 20th century entertainment business models.

Out of this technology disruption comes an opportunity to explore a fresh franchise model that leverages changing technologies, shifts in consumer habits, and how the digital age is redefining what constitutes "content."

Introduction

Analog	Digital
Physical	Virtual
Medium-specific	Medium-independent
Expensive to Copy	Cheap to Copy
Scarce	Infinite
Fixed	Fluid

DIGITAL CONTENT DOESN'T FOLLOW ANALOG RULES

Analog content is typically viewed as a product, with the content being inseparable from the medium it is stored on/in (e.g., book, film, album/cassette, toy, etc.). Digital content is stored on computer hard drives, where the content isn't fixed in a single, physical medium. Digital is a world of versions, where content replicates in ways that defy tracking, if not location, and histories inextricably blend.

Digital content ignores the traditional limitations of creation, distribution, and consumption. The cost of storing, distributing, and selling digital content is near zero. Content creators have access to a global audience, all for the monthly cost of an Internet connection.

In economic terms, analog content is a scarce good. Digital content is an infinite good. Scarce goods can command a high price but infinite goods cannot (indeed, they may not even command a price at all).

Digital content's very nature allows it to be altered, remixed, edited, and re-presented in ways never before possible with analog content. These differences are testing many commonly held beliefs about how a profitable franchise model can look.

Challenging Common Cents

View digital content as an advertising mechanism for analog products and scarce digital services.

DIGITAL CONTENT SELLS ANALOG PRODUCTS

Unless the (infinite) digital content is bundled with something else of (scarce) value, it's unlikely to generate the same revenue that analog content can command. How do you release the economic value of digital content?

Tor.com and Baen Books currently provide free digital copies of certain science fiction titles. Baen's explanation for this approach is simple: it increases overall sales of analog/print copies.

Why would people choose to buy print editions when they can read a version for free? Because they perceive a value in having a physical copy that meets or exceeds the price of the print copy - a value that the free digital copy does not provide (quality binding, durability, tactile experience, convenience, etc.).

Digital services, if they are scarce/finite, can also be a source of revenue. Online video games, for example, have both a scarce component (access to the developer's servers) and a value offering not easily replicated (the online experience of real-time interaction with other players).

Treating easily copied digital content as advertising has the additional benefit of eliminating digital piracy (you can't pirate what's given away).

Challenging Common Cents

GIVE FANS A LICENSE TO CREATE

With the advances in technology, fans are dictating more than ever how they interact with content, often ignoring or circumventing restrictions established by content owners. Fans re-purpose, re-present, and re-interpret content with or without the owner's permission.

Give fans a way to contribute their derivative content to the official franchise. Endorse this approach by giving them the tools, the support, and the permission to play with the content on their own terms.

Without discouraging unofficial websites, provide fans with a central online presence that showcases content, enables community discussions, and acts as a gravity well for franchise activity.

Legitimize what is already happening.

Challenging Common Cents

TRANSMEDIA *NOW*

Transmedia storytelling (creating multiple narratives across various mediums) gives fans several entry points to immerse themselves in the franchise world. Different characters and plot lines can exist in one or many mediums, some in isolation from other characters and story lines.

Porting content to different mediums or taking a transmedia approach to franchise management typically does not occur until there is a breakout success (blockbuster film, bestselling novel, etc.).

Rather than waiting for a breakout event to occur before capturing multimedia analog sales, franchises can be built from inception with world narratives spanning several mediums.

Incorporate transmedia storytelling into the foundation and framework of the franchise, and allow its scope to be defined by the fans, not just the franchise owner.

A New Model

This model can be adjusted for application to new and established franchises and be leveraged by large media companies as well as startups.

A RENEWABLE ENTERTAINMENT FRANCHISE MODEL

This model:

- views digital content as advertising for analog products/services
- sidesteps the issue of digital piracy
- can provide a constant stream of new content in the franchise
- validates and endorses the re-presenting of content by fans
- gives consumers the option to become creators, not just fans
- takes an integrated, collaborative approach to world building
- incorporates a transmedia approach to content from the beginning
- views franchise owners as stewards – not the bodyguards – of content

The creative community is collectively far more creative and prolific than any single individual or company. Embrace this concept; find ways to leverage it.

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FREE MEANS FREE

All digital content in the franchise is available on the website for free. In a digital age, information (especially personal information) is valuable.

Requiring accounts and personal information before letting consumers access content does not equal a free offering of content.

Each obstacle placed between consumers and digital content (account creation, requiring personal information, etc.) becomes one more reason for consumers to move on to other, more inviting content.

Make accessing the digital content a frictionless, enjoyable experience.

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CONVERT DIGITAL TALES TO ANALOG SALES

Renewable franchise models reduce risk and capital expenditure when deciding which content to offer as analog products.

Normally, product investment (research, marketing, and manufacturing) is front-loaded, with all of it at risk if the product fails. The renewable franchise inverts this process.

Franchise owners can identify the most popular digital content through simple metrics: most downloaded, most viewed, etc. Only the most popular digital content is harvested for sale as analog products (books, merchandise, etc.).

Franchise owners know, before any money is spent, which digital products are most likely to bring high returns on investments as analog offerings.

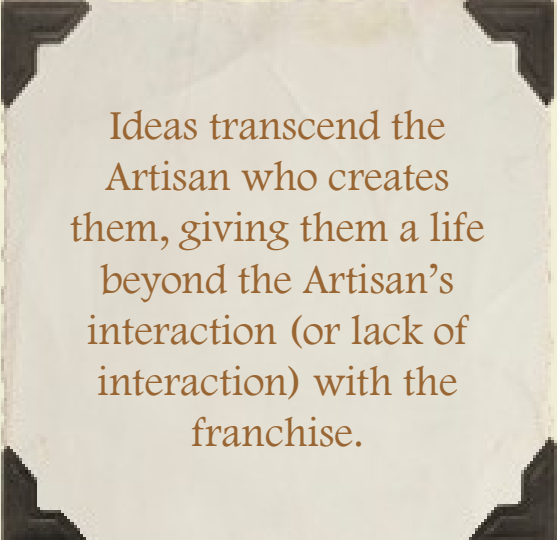**Building a Renewable Franchise**

WORKS V. IDEAS

Building a renewable franchise requires an unusual approach to the narrative management, as well as a fresh mindset regarding how content will be sliced, spliced, and shared.

The most important distinction in this model is the difference between a "Work" and an "Idea."

A **_Work_** is what one normally thinks about where copyright is concerned: movies, books, songs, etc. It is a finished product.

An **_Idea_** is an element in a Work and is not typically subject to copyright. Characters, places, and items are common examples.

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> Ideas transcend the Artisan who creates them, giving them a life beyond the Artisan's interaction (or lack of interaction) with the franchise.

WORKS ARE OWNED, IDEAS ARE SHARED

The renewable franchise model provides a framework for collaboration that can support a wide range of sharing and reuse of content in the franchise. As each new Work is accepted to the franchise content world, all the Ideas in it become available for use by the entire creative community.

To ensure the future viability and openness of the world, individual Artisans cannot be allowed to lock off Ideas such as characters, places, events, items, etc. Once an Idea has been contributed to the franchise, it must remain available for use. Otherwise, future Artisans would shy away from using established Ideas.

Trademarking of Ideas should be prohibited.
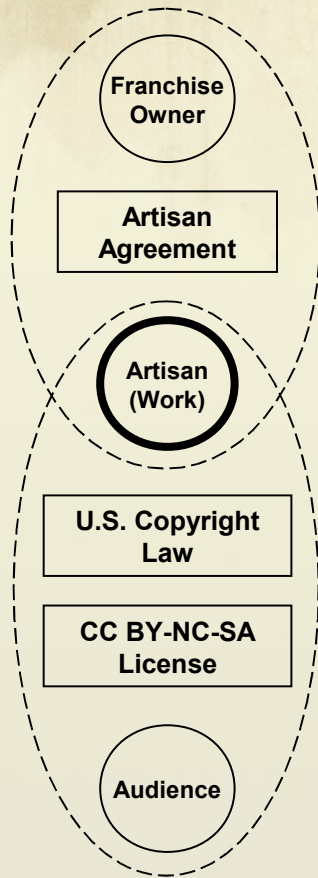
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FANS / ARTISANS / STEWARDS

A **Fan** is anyone who enjoys the franchise content. Fans range from pure consumers to franchise contributors to active website users (posting in forums, working on wiki pages, etc.). Fans are not just consumers; they're *enthusiastic* consumers.

An **Artisan** is someone who has had their creative contribution accepted into the franchise as an official Work. It's important to note that simply creating something set in the franchise world does not make the creator an Artisan or the creation a Work.

The **Stewards** of the franchise are directly responsible for overseeing narrative and world building. They have editorial control over the world, handle community interaction, submissions review, forum and wiki moderation. Their primary focus should always be the world and the community, as opposed to merchandising, external sales, back-end operations, etc.

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LICENSING LAYERS

Although licensing could be handled solely through custom, proprietary licensing agreements, there is an attractive solution available: the Creative Commons + protocol.

CC+ combines a CC license with a second license (where the second license permits commercial rights not allowed under the CC license). An ideal CC license for the open-source franchise model is CC Attribution-Noncommercial-Share Alike 3.0 Unported (CC BY-NC-SA).

All franchise content published on the website should be done under the CC BY-NC-SA license. This prevents the creative community from using the content commercially but allows them to copy, distribute, remix, and share the content with others.

The second license (call it the Artisan Agreement) is used when the franchise owner accepts an external submission for official inclusion in the franchise (the Artisan Agreement is entered into by the Artisan and the franchise owner). The Artisan Agreement should also stipulate the revenue sharing arrangement for sales/licenses of the Work.

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THE WEBSITE IS JUST THE BEGINNING

The website for the franchise serves multiple purposes, including: providing access to the digital content; giving the fans a way to meet, interact, and discuss the content; and acting as the official home for the franchise world.

If the franchise is properly managed, the website will be a springboard for the content as well as the conversation around the content, resulting in:
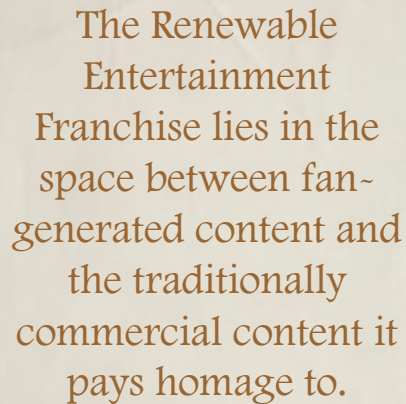
- the digital content leaving the website and traveling the Internet...
- the conversation about the content traveling with it, serving as a beacon to the franchise and the website...
- people legally creating and posting works that are neither part of the official franchise nor published on the franchise website...
- people downloading content from the franchise website and legally posting it on their own site...
- people making derivative works in ways that cannot be predicted...

...and these are all good things.

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Conclusion

> The Renewable Entertainment Franchise lies in the space between fan-generated content and the traditionally commercial content it pays homage to.

What happens when a set of franchise content is digitally offered online for free, has a built-in legal license that encourages fans and the creative community to play with the content, and offers fans the opportunity to contribute to the official franchise canon of content? A new way of building and sustaining franchise content emerges - one immune to many challenges currently facing the entertainment industry.

The renewable franchise model can be used for starting new franchises or reactivating dormant ones. This model acknowledges the changing ways consumers choose to define their role in content consumption, interaction, and creation. Most importantly, this model gives franchise owners a way to extend revenue streams by providing a sustainable source of new content.

So, what's a franchise owner to do when someone takes their content and begins "messing with it?" *Be thankful!*

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Contact

To learn more about the renewable entertainment franchise model, please visit www.braincandyllc.com or contact Scott Walker at scott@braincandyllc.com.