

# THE FUTURE OF STORYTELLING

## 2020 SUMMIT SMART REPORT

Latest Trend, Market Research,  
And Analysis From  
The NextTech Lodge At Sundance  
Presented by Vapor Media



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# FOREWORD

Solid insights to help you run your business are always critical, but in turbulent times such information becomes even more important. The future is full of opportunity, and we will all pull through this, though it may take a bit of time; but the most important element in moving through and out of a crisis is thinking in new ways to provide true value for our colleagues, industry, community, state, country, and the world. It is this type of approach that will define the new level of leaders.

If we can watch massive companies like LVMH pivot on a dime from shifting a portion of their business from that of luxury perfume production to manufacturing hand sanitizer - for free - we can all rise to new levels of thinking about storytelling for the benefit of all and using new platforms to do so. Never before have we been able to access such power, speed, and capabilities. Now is not the time to shrink, but to use the time wisely to plan and come out even stronger, but also wiser, perhaps with a more humane approach all the time, not just solely when under pressure.

As a cultural trend analyst looking at society through the lens of emerging technology, I am hoping for the best for all of you because I see encouraging trends patterns developing. That of more time spent on line and close attention to news and entertainment will remain once the pandemic subsides, but this behavior will be slightly augmented. Everyone should be thinking about now about new ways to create live-to-archive, remote digital strategies, and the organic nature that should take for each/company brand but upping the ante using innovative tools.

In addition, as I already alluded to above, a new level of social responsibility/impact/brand citizenship will also emerge from this time. For, it's not only LVMH that is creating new offerings but various Internet servicer providers offering connectivity for free given that so many are now working or learning from home. Retail outlets setting aside designated shopping times for their senior customers to shop with greater security and other actions are now taking social concern to the next level. This is not to be taken lightly. The audience is watching - and will remember.

As we think about storytelling not only on a one-off level but as that of part of a narrative in the overall story of humanity, may be create on an even higher level that inspires, supports, generates wealth, uses that wealth responsibility and - may it be enabled in the best way by emerging technology.

I hope that this document inspires you to do just that.

Lauren deLisa Coleman

# Overview

As tech innovation transforms all businesses, that of the entertainment industry has its own special challenges and opportunities. The technology is being developed and, in many cases, being deployed faster than people can adopt and adapt.

There are eight key tech verticals, currently, that are incredibly important to track. These areas, so vital to the future of storytelling, were the focus of an unprecedented experiential event at Sundance Film Festival 2020 entitled NextTech Lodge. Held over a day and a half, the Lodge brought together senior executives, thought-leaders, tech innovators, and filmmakers in order to discuss the future of the industry, share industry expertise and learn about the various intersectional points of the aforementioned pillars and their businesses.

Produced by digi-cultural trend analyst Lauren deLisa Coleman, and her forthcoming AI-driven trend media company Vapor Media, the NextTechLodge was a powerful gathering from which many insights were revealed that can support you and your business.

This report includes to key observations from participating panelists as well as the latest statistical information from respected sources on the state of each vertical, all within one report as a resource guide for you this year. Both the event and report were created because there is a need for a comprehensive analysis of the future of storytelling in order to help support the speed and agility of the industry in a broader manner, thereby increasing the rate and quality of creation, transaction, and distribution across the sector.

Opening remarks at the event delivered by Cydni Tetro, Co-founder/President of Women Tech Council, former Disney executive and current Operating Partner at Mercato, set the tone by addressing today's convergence of film/video content and technology. Tetro noted that key areas to watch will be:

- Story Development
- Film Creation
- Content Capture
- Consumer Delivery



Cydni Tetro

She noted that it is vital to have such summits - those that include creators, technologists, audiences, storytellers, agencies, and media - such as that of NextTech

Lodge because they inspire us as industry leaders. Such exchange encourages us all to think in a more innovative manner in this new era.

In an unprecedented move in the entertainment industry, Lauren deLisa Coleman brought together key minds in the below verticals in a powerful mash-up of sorts that inspired minds, kicked off deals, and opened new business relationships.

Currently, there are eight key verticals that every executive in this convergent space should track and were discussed at this summit. They are:

**AI** - Artificial Intelligence (i.e. new forms of green lighting, audience prediction)

**5G** - Wireless Technology (i.e. new levels of streaming consumption, VR/AR viewing)

**Digital Currency/Tokenization** - electronic forms of money, often times encrypted. Replacement of sensitive data for non-sensitive data (i.e. new forms of film financing, ancillary revenue streams)

**Blockchain** - recorded transactions across several computers linked to a peer-to-peer network (i.e. creation of smart contracts, file sharing)

**Innovation** - new products, methods, ideas (i.e. testing of emerging technology before it becomes a full business in order to maintain or capture competitive advantage)

**Big Data** - extremely large data sets analyzed to reveal patterns, trends, and/or associations (i.e. risk management of creative projects, personalization of content for audiences)

**The Next Screen** - Emerging technology that will create completely new types of viewing experiences

**Social Impact** - Actions that address a pressing social issue/challenge (i.e. emerging technology's role in expanding messaging, enabling greater rate and pace of change)

**AI**

# Artificial Intelligence



## Market Statistics And Forecast

- Spending on AI systems will reach \$97.9B by 2023, more than two and a half times the \$35.5B spent in 2019. The compound annual growth rate (CAGR) for the 2018-2023 forecast period will be 28.4%  
source: IDC

Spending on AI systems will be led by the retail and banking industries, however, other industries will make significant investment in AI. source: IDC

In fact, the fastest spending growth will come from the media industry and federal

governments with five-year CAGRs of 33.7% and 33.6%, respectively. source: IDC

- On a geographic basis, the United States will deliver more than 50% of all AI spending throughout the forecast  
source: IDC

“Board rooms and C-suites of the world’s largest B2C brands have turned their focus onto personalization and AI-driven customer experiences, yet they are struggling to bring their vision into reality. This is believed to be due to departmental structures (and internal politics, aging technology infrastructures, and a lack of senior and mid-level managers who can articulate business

needs and translate them into technological solutions. Because such transformation is critical to their survival, we'll see a forthcoming rush to catch up and risk-taking on creating the customer experience of the future." - Liad Agmon, CEO, Dynamic Yield

In general, we'll also see a rise of data synthesis methodologies to combat challenges by AI. Debates around ethics and AI will continue to grow. Last year the European Commission published a set of seven guidelines for developing ethical AI, but we are still in the very early stages.

In terms of direct AI development in the film industry, the most recent focus has been on the deal between Cinelytic and Warner Bros. Studios. However, contender Scriptbook is equally intriguing. According to the company's data scientist, Scriptbook's algorithm correctly guessed whether a film would generate revenue 86 percent of the time, That is twice the accuracy of what the industry has achieved.

This is only the beginning of AI's power.

#### **Expert Insights From NextTech Lodge Panelists:**

- Hollywood is driven by fear. Films are easier to be greenly if a notable name is attached and other names can be attached. If not, the work is much harder, and a case has to be built. The way one builds a case is to go to executives and agents who have "taste."
- Introducing AI would be greatly impacting or potentially usurping that "taste." This means disruption for an insular industry.
- Accuracy in such predictive analytics is worth billions, and there is a rush to reach perceived perfection. It is believed that, particularly for the entertainment industry,

if one has enough data, one can predict things that are no obvious to an individual.

- This is not to diminish the role of the human. Humans have a capacity that machine learning can't come close to just yet. The inductive creative intuitive reasoning process that generalizes in a rapidly changing environment and adapts, is solely human. AI is getting better at this, but it will take time.
- What AI currently does well is anything that is repetitive, formulaic. So certain demographics, story lines, scripts; a decision report system can help here.
- What are the odds of failing? Execs are going to say that AI can help them from making a very bad mistake that could bankrupt the studio. They will be looking to AI to manage risk.
- The problem with this approach is that it is based on an existing data set



that is too small and solely historical. It is riddled with bias, therefore usage of such could also institutionalize such biases.

- More sophisticated AI allows one to model information dynamically rather than on a data set that is historical. More sophisticated ones will be those that model how the environment is changing. This would then be about predicting environment, not the script. So the potential is there but there will be problems if short cuts are taken.
- A better use of AI could be that of finding the “outlier,” that is, finding an audience for a script. In this manner, AI could be used to make an argument for a particular script.
- Looking at the past to predict the future is problematic. It is important to understand that AI is not monolithic. It is important that it be custom designed since data sets are very sparse at the moment. We, as an industry, are creating them right now.
- Netflix says that its data is worth a billion dollars to them. This company has spent a long time building massive data sets, yet bias can still occur here because it is historical data.
- It is important to understand that a time is coming when those who feel that they have been negatively impacted by an algorithm, say a filmmaker who is passed upon, will be entitled, legally, to an explanation. This is currently developing in the EU and could impact agencies, filmmakers, etc here.
- In the meantime, AI could be helpful in indicating cultural shifts. This is where it can be most helpful, rather than observing the current trajectory. This is something not yet common, however.



L-R - Gary Pearl, Tyrone Breaux, Jr. ; Samuel M. Smith, PhD

Those not looking now at developments in AI will probably be at a disadvantage in the near future. There are a wealth of opportunities among some landmines of which everyone should be aware as they pertain to the business of storytelling.

***“Looking at the past to predict the future is problematic.”***

**5G**

## Market Statistics And Forecast

- 5G connections to grow from roughly 10 million in 2019 to 1.01 billion in 2023. This represents a compound annual growth rate(CAGR) of 217.2% over the 2019-2023 forecast period. By 2023, IDC expects 5G will represent 8.9% of all mobile device connections.
- Data creation and consumption will be massively impacted. The amount of data created and consumed by individuals and businesses will continue to grow over the coming years. Shifting data-intensive users and use cases to 5G will allow network operators to more efficiently manage network resources, improving performance and reliability as a result.
- Despite the fact that many of the more futuristic use cases involving 5G remain three-to-five years from commercial scale, mobile subscribers will be drawn to 5G for video streaming, mobile gaming, and AR/VR applications in the near term.
- Unique, must-have applications will explode. Mobile network operators need to invest in the development of 5G mobile apps and work with developers to create robust apps and use cases that take full advantage of the speed, latency, and connection density offered by 5G. Partnerships will be critical.
- Share of 5G-capable phones to increase by 56% by 2023.

source for all: IDC



Source: Gartner

**Table 1**

**Worldwide Device Shipments by Device Type, 2018-2021 (Millions of Units)**

Device Type	2018	2019	2020	2021
Traditional PCs (Desk-Based and Notebook)	195.3	188.4	177.9	169.2
Ultramobiles (Premium)	64.4	67.3	71.8	76.4
<b>Total PC Market</b>	<b>259.7</b>	<b>255.7</b>	<b>249.7</b>	<b>245.6</b>
Ultramobiles (Basic and Utility)	149.6	140.9	137.3	135.7
<b>Computing Device Market</b>	<b>409.3</b>	<b>396.6</b>	<b>387</b>	<b>381.3</b>
Mobile Phones	1,813.40	1,743.10	1,768.80	1,775.50
<b>Total Device Market</b>	<b>2,222.70</b>	<b>2,139.70</b>	<b>2,155.80</b>	<b>2,156.80</b>

## Expert Insights from NextTech Lodge 5G Speaker, presented by IBM

- When Pixar faced challenges getting “Toy Story 2” out the door, IBM was called. The company problem-solved using Linux to help support file size. This action would prove to become instrumental in helping to digitize the industry. Now IBM is at the forefront of what will come next in content delivery.
  - The amount of demand consumers are currently placing on telcos is unprecedented. According to Cisco, 70% of capacity used on a random Tuesday night was used solely by Netflix and YouTube, alone.
  - The task now is to scale and satisfy demand. This is part of the reasoning behind recent merger and acquisitions in the telco sector. What has existed is no longer sustainable because everything is now accelerating a rapid pace.
  - There are four things that one thinks of when one says 5G: low latency, speed, bandwidth/capacity, and proximity(compute capability exactly where the action is. These elements are key for consumption and monetizing.
  - 50% of C-suites in media companies say that if they are not doing business differently/create a different business model soon, that they will be out of business. So new applications will be made available.
  - This will be made possible with 5G which can essentially slice spectrum. Though the work is beginning now, full 5G will not be prevalent until 2024.
- 5G will enable innovation around video, such as Augmented Reality (AR), personalization, and interaction in real time.
  - There will be new business models and elastic responses generated by better and faster analytics.
  - These delivery models will help with streaming wars. There will be competition as to who as both the best 5G and business model.
  - However, there are currently a number of technical issues that are creating



***“5G will enable innovation around video” - Rich Michos, IBM***

- challenges for faster penetration of 5G such as glass, buildings and more. IBM is working with others to overcome such challenges seamlessly via its technology via RedHat. While some telcos think they can accomplish the task of implementing 5G themselves, it is difficult because they do not typically understand media and entertainment elements and needs well enough to do that.
- 5G will enable creatives to better edit on set or send extremely large files from one country to another. Such capability is already present but this advance in tech will enable even larger files more rapidly. In addition, fan experience will be enhanced via holograms and more, thanks to 5G.
- However, the cultural divide may be exacerbated by 5G. Slicing spectrum will create different pricing models. This is currently regulated but may change as the industry develops and pressure to create new business models intersects with debates on Capitol Hill.
- 5G may also further perpetuate the wealth gap. Indeed, some parts of the world may even be left out entirely of access, initially, deepening the have and have-not status that information, access and entertainment will afford.
- Without a doubt, an open standards model will be critical to rate of advance for 5G. Content creators and distributors would do well to double-down on testing and development of content in the emerging space such as AR, VR and more so that models can be perfected to meet the advent of delivery systems.
- IBM is currently working with AT&T WarnerMedia to build out its 5G capabilities.



**Rich Michos**  
CMO, Media & Entertainment +  
IBM

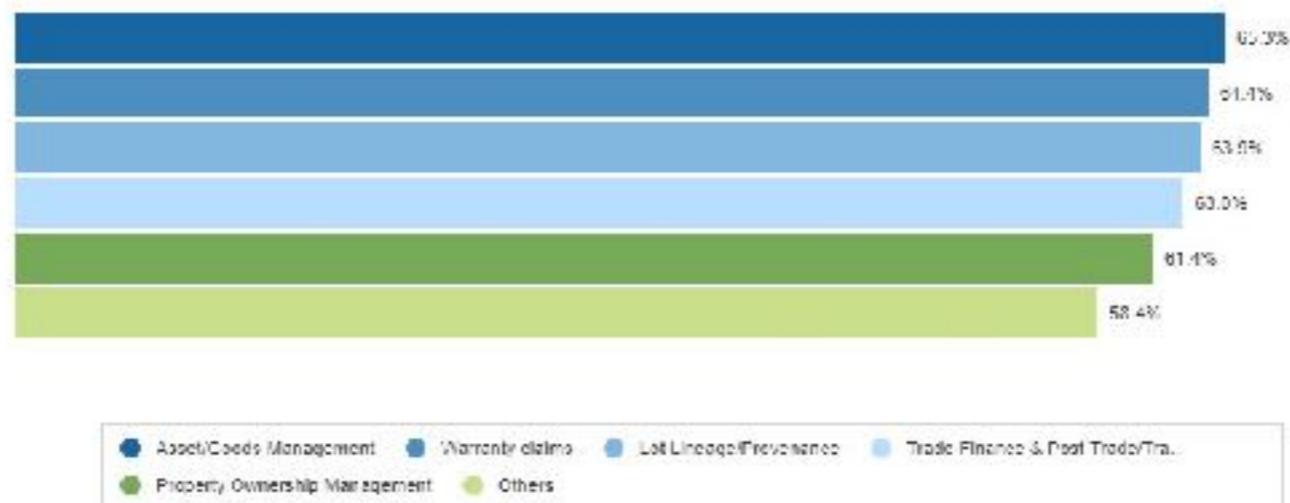
# **DIGITAL CURRENCY & BLOCKCHAIN**

## Market Statistics And Forecast

- The nature of money is changing and central banks around the world are debating about whether they need to change with it. As electronic payments surge and private cryptocurrencies seek to gain traction, governments are exploring whether or not to issue digital versions of their national currencies that can be used as a universal form of payment in the way physical cash is today. These conversations gained urgency for some last year when Facebook announced plans to launch a cryptocurrency-of-sorts called Libra, sparking concern that one of the world's most powerful tech companies could become even more powerful by operating its own digital money. source: MIT
- Cryptocurrency is enabled by blockchain technology. Worldwide spending on blockchain solutions is forecast to be nearly \$15.9B by 2023. Blockchain spending is expected to grow at a robust pace throughout 2018-2023 with a CAGR of 60.2%. Global blockchain spending will be led by the banking industry which will account for 30% of the worldwide total throughout the forecast source: IDC
- While the debate continues as to whether cryptocurrencies are a solution is search of a problem, many organizations and enterprises have realized that blockchain solves many current and impending business problems. Many blockchain projects are gaining steam as players across the value chain realize that the significant progress blockchain bring, launching much-needed transformation within and across industries and use cases. With enterprises moving past the proof-of-concept phase, it's not a matter of whether blockchain is here to stay but rather the scope of blockchain's adoption. Sharing data between institutions, simplifying outdated processes, and
- bringing transparency to business processes while also encouraging collaboration and partnerships. These are the tangible benefits that blockchain brings to the table. source: IDC
- By 2023, 50% of people with a smartphone but without a bank account will use a mobile-accessible cryptocurrency account. As marketplaces and social media platforms begin supporting cryptocurrency payments, much of the world will shift to mobile-accessible crypto accounts. Africa is expected to have the highest growth rates These crypto accounts will also drive e-commerce as trading partners emerge in areas previously unable to access capital markets. source: Gartner
- By 2023 up to 30% of the world news and video content will be authenticated as real by blockchain, countering deep fake technology. source: Gartner
- Blockchain technologies have been surrounded by a significant amount of hype and most enterprise blockchain projects are moving past experimentation mode. However, Blockchain is is not yet enabling a digital business revolution yet and may not until at least 2028. source: Gartner
- Smart contracts are one of the applications of the blockchain tech that lets organizations, government, legal bodies and even individuals to exchange monetary values, properties, shares, bonds involving a value and a contract in a clear way to avoid any conflict and without the need of middlemen. It defines the rules and regulations of an agreement and automatically enforces any of the obligations.



Top Use Case Based on 5 Year CAGR (2018 - 2023) (Value (Constant Annual))



Source: IDC Worldwide, Semiannual Blockchain Spending Guide 2018H2 (For Internal Use Only)

- The smart contract is expected to grow significantly because it digitizes and removes the need of the broker or lawyer as a middleman. The contract is registered in a database and all the legal clearing is made automated. Payment is done through digital means or crypto. Thus there is a freedom of autonomy, backup, safety, speed, and accuracy. source: Market Research Future
- In the 21st century, the film industry will be immensely benefitted by blockchain as it supports the global network of the audience, distributors, and content producers.
- It provides and opportunity for all stakeholders of the film industry given that, for example, establishment and protection of copyright is a difficult and costly task. This is where blockchain comes into the picture. An immutable record of an asset such as an idea, script, etc can be created on the blockchain and legal agreements around it on blockchain

complete the process.

- Thanks to distribution models, film releases now reach a global audience. Traditional distributor and exhibitor networks have expanded by partnering with international partners who control local distribution. But blockchain can serve as a new,scalable and decentralized solution. It can manage the increasing complexity of digital distribution models and global networks. Smart contracts can be used to enable automated revenue distribution when receiving and recording collections. This scenario benefits small, local exhibitors and independent producers as audiences could use cryptocurrencies to pay for tickets.Blockchain paves way for movie lovers to be an integral part of the

- entertainment economy. Blockchain can even help shape the creative process of the film industry. Fans in support of the creators will now be able to monetize their passion by playing a vital role in driving the process in new ways by owning shares of content . source: Blockchain Council
- Current models of film distribution and funding require intricate negotiations pertaining to licensing and financial deals. They can also feature the sort of restrictive contractual politics that weigh a movie down with bureaucracy. To offer alternative solutions to an analog industry in need of a digital makeover, blockchain-based companies such as LiveTree & MovieCoin are seeking to empower content creators with their new platforms.

### **Expert Insights from NextTech Lodge Speakers**

This event marks the first time that the cryptolock space has ever been discussed in depth at any established film festival to date.

- First, a few general definitions. Digital currency refers to software money, not necessarily based on blockchain technology. It is a mechanism for exchange online. An example of this could be Facebook's Libra. Tokens are a trading access within one ecosystem where a token represents some type of data. Digital coins or encrypted currency is that which appreciates or depreciates. One can trade them in manner similar to fiat, or traditional currency.
- Cryptocurrency is decentralized and a new method of exchange. An example is Bitcoin. And none of these platforms can be shut down by a centralized point.
- There is good reason to be both critical as well as a supporter of crypto. In the early days, this method of currency and exchange offered both a freedom and privacy that fiat currency did not. It was governed by technology, outside of the control of any one government or person.
- It operates under the philosophy of a public ledger. Cash has no such ledger. Thus, crypto became an alternative that people wanted. Many decided to invest it, and crypto went to a different level attracting several "bad actors," thought many in the space that is not nearly as nefarious as that which takes place within fiat currency.
- ICOs (or Initial Coin Offerings, borrowing from the term IPO, or Initial Public Offering) made many rich but hurt others. While it created a use case for blockchain, the technology which enables crypto currency activity, a negative aspect around crypto was created due to lack of integrity of certain participants.
- However, much of the untrustworthy element in the arena has been cleared away and applications using such offerings within the film industry are currently being explored
- Nutopia is a company that focuses on using crypto as a new way to finance films. Initially the company targeted filmmakers of large, theatrical films but had trouble gaining trust with a new product such as this. The company has since pivoted and focuses on

- short films with budgets under \$1M. The production is less complicated in shorts as well as quicker so risk is lessened
- Nutopia first does its due diligence on a filmmaker/production company then, helps them to tokenize the royalty rights of the film, and then they can pre-sell those right on their platform to anyone in the world. These investors then have tokens, and they can collect royalties within five years. Think of it like buying shares in stock. Unlike a crowd-funding model, this approach creates liquidity. This approach could also be applied to audiences in creative ways in the future. They could buy frames from favorite films.
- stake. Such approaches truly turn the tables on traditional methods. Should this actually take hold, many legal frameworks could be completely upended.
- However, the opportunity is not just about payments. Additionally, non-fungible tokens (not necessarily currency but represent something of value one can own and track) are compelling because they could expand the experience level in film taking an ancillary gameified form via a potential AR-related offering that contains digital objects and challenges with the offering of prizes such as free popcorn, VIP



L-R  
Jonny Peters,  
Brian Nelson,  
June Chu

- There are many use cases around this new way of financing that extend to sports and entertainment overall. An example of this is basketball player Spencer Dinwiddie who created a stir in the NBA by trying to sell the rights to, or tokenize, his future earnings to fans. His earnings would essentially be attached to his popularity. If one owned a part of him, that person will petition for him. The NBA is pushing back on this approach, but its implications are, no doubt, fascinating and could be applied to actors as well. Especially new actors where new one could incentivize fans to essentially be one's marketing agency since the fan a monetary interest at
- tickets and more. Current gatekeepers are slow to adopt such innovation, but there are massive opportunities for those who are visionaries or collaborate with those who are. Tokens around film collectibles is also another space that filmmakers and studios have not yet tapped into as well.
- Watch for the deepening of decentralized distribution such as D-Live where there is no take-down as exhibited by that of YouTube. D-Live also has a different monetization strategy. There is a new model emerging beyond simply exposing the viewer to ads. It is based upon a transfer of value when one receives value. Content production is shifting.

# CryptoBlock Legal Roundtable



Foreground: Josh Lawler

- There are a number of regulatory issues to navigate within this space. There is a lot of confusion given that since the beginning of society, for the most part, all has operated from a centralized database. All laws were built based on that framework, and now all this is changing. This is a massive paradigm shift.
  - The challenges around defining what is and isn't a security, business models and more adds to the confusion. However, there is massive opportunity within this new realm.
  - Smart contracts are an example. Proof of ownership of anything was historically represented on a piece of paper that represented the owner. That is challenging to prove. Now there are new methods. DocuSign is an example of this. It is tied to an email address that represents the owner. It is a digital record. Blockchain one-ups
- one-ups this. If DocuSign goes down, there is no access. However, blockchain data can never be lost and is always accessible. At its core, it is a distributed database. It is currencies, contracts, could even be a piece of a larger element such as fine art. It is a "source of truth."
  - The challenge is how to change and incentivize legacy players to this new system. Their revenue streams are built on inefficiency, yet they realize this is going away. For example, box office revenue could turn into a digital asset to various token holders who then convert it back into fiat currency. Film financing and all the support services could be written into a code which auto-distributes the earnings with all the wiring money and check writing eternally eliminated.
  - Such technology can make all the inter-

## ZUBER LAWLER

- action with the guilds much easier as well as anything legal dealing with residual payments. Currently, royalties are very hard to transfer. Instead, they could be tokenized and placed into a pool or an exchange. They could even be fractionalized.
- In the larger realm of crypto, there are many legitimate projects but also problems to overcome. For instance, if one wants to purchase a security token, he or she has to be an accredited investor. There are also mandatory holds for one year. With a token, zero disclosure was necessary. Thus, the SEC got involved. It was good for protection of individuals, but from a business model perspective, it was devastating. Such model around Security Token Offerings (STO) were not yet proven overall so the film studios have not wanted to get involved. Also the mandatory holding of the tokens discouraged people a well.
- However the SEC did approve of offering stock which could be re-branded as tokens. ZuberLawler is focusing on this area today and the way in which it could be applied to the film world and could be used as a way to raise money for productions. (For detailed information on Reg A, Reg D and others and very intricate legal details in which this works, please refer to the contact information for ZuberLawler at the end of this document)
- Much of the overall aspects of crypto can also be applied to the virtual space a well. The tokenizing of various assets and creating payment capabilities within various areas of virtual reality properties, themselves, is beginning to be tested. This could be a vehicle for rewarding a viewer for engagement, but it is still a
- consumer protection issue under law even though it does not lead to a fiat exchange. One is still bound to legal disclosure. This could be something similar to an Easter Egg within a short film that is now redeemable for a soda at the movie theater. This is about engagement beyond just watching a film. This is where content creation is headed. However, many models do not work without a third party (i.e. for transactions), and if it cannot be linked to fiat, the model will not work.
- Currently films raise money pre-production by selling product placements. This is an area that could also present an opportunity that is not a security but an innovative way that rewards the viewer in instances where one is watching his/her favorite film again and again and open to looking for Easter eggs tied to a brand, for example.
- For producers, the takeaway is that this technology is massively flexible and can, essentially, put you in the pocket of your viewer in a number of ways.

*The genie is now certainly out of the bottle and is not going to be recaptured. Those who are visionaries with the right content, strategy and legal support can create entirely new business models that completely change the future of the entertainment industry as we know it today. Pioneers in this area will be those who lead the way for all others.*

**INNOVATION**

## Market Statistics And Forecast

- As more IT spending is directed toward digital innovation to enhance the enterprise, the end result is an explosion in new digital content, apps, services and more.
- We are now on a future path of digital innovation where every company becomes a tech software producer-of-sorts.



- Organizations with digital innovation supply chains focused on delivering digital products, services, and experiences will re-shape our global economy in the coming years. - source: IDC
- Indeed, from the entertainment industry perspective, innovation is top-of-mind for major studios and media companies, as well. This has given rise to the “Lab.” Once reserved primarily for tech companies, where ideas and prototypes could be tested, now more and more storytelling-related companies are adopting the creation of an area of testing and exploration. However, can such areas truly foster creativity within large corporations?

### Expert Insights From NextTech Lodge Speaker:

- Social video service and talent engine company, Fullscreen is one of the latest to offer a “Lab.”



### WarnerMedia Innovation Lab

- The company represents 3000 YouTube stars. Fullscreen was acquired by WarnerMedia and builds apps to help grow and monetize titles.
- The goal of the Lab is to learn more about recommendation algorithms and take those insights and apply them to their creative products.
- This Lab provides a place for their signed talent to experiment with VR, AI-driven subtitling, and more
- Fullscreen decided to create a Lab dedicated to innovation after looking at the rate at which technology destructs industries. Knowing that the inevitable would occur, the company’s purpose is to leverage the Lab to discover the next “big thing” while applying both time and earnings to a concept that may not yet have any proven revenue model. Labs give companies the opportunity to develop an expertise in an area now so that there is preparation for the future.
- it is important for companies to constantly experiment and implement quickly. Some labs are easier to do this in than others.
- Too many benchmarks and too much pressure for success contributes to a Lab that is unsuccessful.
- Knowing what you are trying to learn is most important.

- However, can innovation truly take place in robust, corporate surroundings? That depends upon the metrics used for success, but also who is hired and the types of partners.
- Labs can also be used to help prepare for future algorithmic changes on social platforms on which a company may be heavily reliant.
- The issue with labs at corporations is that the risk is run of the “cool kids syndrome.” If seen as outside of the company, it will never gonna work. Further if leader cannot say what specific vision is of such lab, it could also fail.

### **General Insights To Keep In Mind**

- Corporate innovation is critical for established companies looking to stay relevant in the face of disruption from up-and-coming startups. With industries being unbundled more companies are opening up in-house innovation labs every day. source: CB Insights
- Lots of media companies are trying to adopt the methods, philosophy and talent In some cases, it’s through straight-up acquisitions Other times, it’s investment. source: CB Insights
- Inspired by the other companies that have done the same and fearful of being disrupted by startups, several companies have opened innovation labs. The success of corporate innovation labs and accelerators has been mixed and this has led to questions of whether such programs are a good idea. source: Forbes



**Facing camera: Parker Jones**

- Using innovation labs and accelerators as a form of R&D to learn about certain industries is a great idea, as long as leaders realize that R&D and innovation are not the same thing.
- Innovation is the combination of clever new ideas and technologies with sustainably profitable business models. So the question still remains - as we work with startups or internal teams to learn about new industries, how are we going to convert those learnings into long-term revenues for the company? Companies hav to design our labs and accelerators to be able to extract insights and create value for the longterm. source: Forbes

# **BIG DATA**

## Market Statistics And Forecast

- The big data industry is now worth \$189B, an increase of \$20B in 2018 and is set to continue its rapid growth and reach \$247B by 2022. source: Infoworks
- With fewer data-related companies obtaining funding, more of them are delivering a greater level of innovation



- and value. Yet a key data analytics trend for 2019 was the increased alignment between traditional analytics with machine learning and artificial intelligence analytics. More and more organizations are using ML and AI to augment everyday operational analytics pipelines and normal line of business activities. source: IDC
- What companies are now coming to realize is that digital transformation is really about taking a data-driven approach to every aspect of their business in an effort to create a competitive advantage. source: IDC
- However, the exponential growth of data and the complexity and cost of scaling can create organizational challenges. source: IDC



- In one instance, the film industry is using technology to recapture what was lost in the relationship between the creator and consumer. Newly emerging tools are empowering big studios to convert massive quantities of movie-goer reactions into meaningful, actionable insight into what works and what doesn't.
- With big data analytics, movie executives are keeping one ear to the audience and the other to the craft in a way that is dramatically altering how moves get made, marketed, and distributed. This is about using big data in a way that is driving business value.
- The “quad segment” approach to audience profiling is being replaced by a profusion of very finely-sliced profiles that more accurately represent the sensibility spectrum of a modern audience.
- Content producers are collecting the audience data from streaming and downloading devices to maximize their odds of future success. The shift from creator-driven to audience-driven content shows no sign of slowing down. source: Stanford University blog

### **Expert Insights From NextTech Lodge:**

- Many companies that offer data services are not truly providing new, interesting offerings in data. They flip the data in different ways from other companies, but, essentially, often times the data is just replicated.
- One of the biggest focuses right now in the industry is the intersection of data and streaming. This is a great area of activity, but there is a challenge around obtaining viewing statistics. Nielsen is trying to identify audio pixels and attach them to the content itself in order to measure. This is only a beginning.
- need to know who is watching what.
- Currently Netflix does not pay back-end. They pay a lump sum upfront. They reason that they do not provide data to third parties since they have already paid. They also do not accept advertisements, so there is no reason to release any data. But at some point, this has to change.
- Ultimately each streaming platform is probably going to build a tiered system. And all of those will also have some type of advertising system as well. This will create a tipping point in revealing viewing data.



**Right:  
David Herrin**

- UTA, for example, is currently buying three types of data analysis pertaining to streaming. Each of them has to be triangulated to determine what was, for example, the most watched movie on Netflix last night.
- Such data is used during agency negotiations on behalf of talent. Having data confirms what is truly being watched, otherwise there could be imbalance in negotiation. This is one of the most important use cases.
- Given that UTA also represents major corporations that want to integrate with streaming content, these clients also
- Data and personalization, meaning, targeted content for specific audiences is a major growth area. We are beginning to see more of this applied to the feature film space. Historically the quadrants under which a film was considered to have an audience was men under 25, over 25, women under 25, over 25. Today this is not nearly accurate enough.
- There are up sides and down sides to broader buckets. Something could be so micro-targeted that if it does not resonate with that group, the movie will fail. On the up side, the industry gets something like "Crazy Rich Asians." This is the delicate line studios are currently facing.

- But in a creative world, can too much of an analytical approach be damaging? A balance is, naturally, best. What data can do at its best is to help content find a platform.
- Sometime data at its worst can be prohibitive. For example, Netflix is not pushing certain shows toward certain algorithms, so gatekeepers around data could become quite an issue.
- The future of data will be some type of combination of blockchain and data integration. All data located in one place so that the data scientist can see all data together makes for a much richer offering and allows intent to scale. Such an approach also would allow for faster analysis as well.
- A must-watch for all is how scenarios like Cinelytic shake out. Film studios are not as savvy about data just yet. Currently at agencies like UTA do something somewhat similar to Cinelytic in that they can take who the writer is, director, date rating, budget, etc and create what's called a Box Office Universe. Based on these elements they can predict what film earnings will be at both the high and low ends, and then look for cues such as social media commentary, trailer views, etc. Such an approach turns out to be incredibly accurate.
- A few key data points to keep in mind are that Gen Z movie theater attendance is down 47%. 75% of the industry's volume is from a genre which makes up 35% of film offerings, which are Marvel, DC, Star Wars. Thus, if the viewer becomes tired of "spectacle," what happens to the industry?
- We are now within a true inflection point in the business with five new steaming platforms entering the fray as well. This is an enormous paradigm shift.
- Currently the viewer does not know whether a theatrical release will eventually be available on Netflix or not, but they will be savvy enough to know that if it is any title released by Universal Pictures, then it will be on Peacock in 90 days, and so forth with each platform and studio correlation. This fact coupled with the fact that no one will be tied down to subscriptions will make for a very disruptive time in the industry.
- However, unlike streaming, theatrical releases have the opportunity to make a unified cultural impact given the simultaneous experience, audience size, and marketing. When this happens, the cultural zeitgeist of a film gives the industry faith. How data will continue to play a role in such impact will be absolutely pivotal.

***“Based on these data elements, we can predict what film earnings will be at both the high and low ends, and then we look for cues such as social media commentary, trailer views, etc. Such an approach turns out to be incredibly accurate.”- David Herrin, UTA***

# **THE NEXT SCREEN**

## Market Statistics And Forecast

- As 5G penetration increases, smart augmented reality (AR) glasses (i.e. smart glasses) will begin entering the consumer market. Many telecom carriers have begun forming partnerships with AR/VR wearable firms recently. The trend should grow stronger as more business opportunities will emerge making AR/VR applications a crucial part of the telecommunication market in the next few years. source: Digitimes
- The global smart glasses market should reach nearly \$20B by 2022 from \$340.4M in 2017. source: ReporLink
- Smart glasses refer to wearable computing devices that add information to what the user sees. These devices function in a way similar to mobile phones and tablets and have the ability to process and implement various programs and applications. The user is submerged in a virtual environment.
- By 2024/25, there is going to be a much different media universe from what we see today. There will be much more Mixed Reality. Visionaries are working now to determine what the next visual offering will be. All areas will be touched dramatically by new forms of visual computing. Entertainment will be dramatically impacted too even though it may only make up 8-10% of the overall universe.
- The intent is to start to change people's opinion that an entertainment experience must be locked into a screen. We are just at the beginning of what it looks like when there is an experience that is tied more to the body and not the screen.
- This will result from some device that will be an aspirational product and will change humanity in a very, very big way. It will be about bringing the media experience to where your eyes are. Yet it will take many, many versions to get it right. We'll start seeing the early days of this in about five years, but it will take 20 years for a refined offering. It will be such that we will leave our phones at home because we will have something better.

### Expert Insights From NextTech Lodge Speaker

- New formats and new ways to offer storytelling is the focus of the Futurist at Paramount Pictures. The time-frame he tracks is approximately a 10-year out forecast. Because the traditional side of the studio is so focused on real-time, the futurist's job is to make certain that someone is studying what change will look like so that the company will not fall behind.
- This is about creating a department whose focus is to test certain opportunities and platforms and determine if there is a wheel of commerce around such properties.





Ted Schilowitz

- No doubt content in all its forms will be an important driver of all of this. The next era will very likely have a high cure point on interactivity.
- It will have a story but in a different way. It will become bigger than motion pictures and will have new business models around it.
- Approximately 70% of waking life in modern culture is spent looking at a screen.
- Something much more sophisticated is coming. It will be the future of entertainment when one starts to intersect reality and digital reality.

**“All areas will be touched dramatically by new forms of visual computing.” - Ted Schilowitz, Paramount Pictures**

# **SOCIAL IMPACT**

# STORYTELLING FOR GOOD



## Market Statistics And Forecast

- Data and analytics leaders are in a unique position to build programs that benefit the Data For Good movement in which people and organizations transcend organizational boundaries to use data to improve society.
- One of the top reasons female students study data and analytics is the desire to have an impact on their company and the world. At the same time, data and analytics jobs are increasing in numbers and difficult to fill. source: Gartner

- The cultural trend labeled, “Social Impact Entertainment” was defined by Richard Williams, a film specialist at production company elevenfiftyfive, as he opened a seminar on the matter at Advertising Week Europe and is defined as:

*The use of entertainment to have a positive impact on society and communities, people intentionally trying to effect social change and using an entertainment delivery system for that change.*

- Advances in the neuroscientific understanding have shown that the brain is more hard-wired for sociability, for engaging with others, and for

- empathy than many first realized. The brain developed as a visual-auditory sensory processing system, which, when you think about it, is what film does.
- A film is successful to the degree that it connects to the audience emotionally. Emotion drives social change. source: Harvard University
- With a ramp up in deployment of 5G networks, which will make content delivery up to 100 times faster, the trends above will only be compounded.
- Digital media drove 46% of movie box office revenue, despite making up just 14% of studio marketing budgets. source: Neustar
- Next year, 64% of markets plan to increase their digital marketing budget and 24% plan to increase budgets significantly to boost customer acquisition. source: Ascend2
- These elements together make for a confluence of opportunities to leverage digital campaigns to not only drive awareness around films with a social impact message but also become elements of social impact themselves.
- SoulPancake, a division of Participant Media does just that through its work every day.
- Please contact for a complete **white paper** on this area from SoulPancake. Below are a few key statistical points from the company's talk.

**Expert Insights From NextTech Lodge Speaker:**

Gen Z different from boomers or even Millennials. Having grown up domestic terrorism, school shootings, accelerated climate change, and discontent toward the



**Jordan Allen**

government, it is a generation that is interested in social and political causes.

Gen Z is the most racially and ethnically diverse generation we have ever seen. It should never be viewed as a monolith.

Gen Z spends on average of about three hours per day on social media.

SoulPancake seeks to connect with this audience via positive, uplifting content in the form of storytelling.

*\*author's note: AI should be monstrously critical to the future of this area. If personalization around causes and films around such causes can be delivered through new algorithms. The chance to create empathy and change can be explosive.*

# WHAT'S NEXT?

It's been said that we are in a time now that is similar to that of driving in a dense fog and then realizing that, once the fog dissipates, you have arrived at the end of a cliff. Even though foggy, now is the time to ponder, collaborate, test so that once all clears, you will be a position of competitive advantage, rather than disadvantage.

If you'd like to continue to receive trend forecasts, would like to commission trend reports in this space, are seeking an online event production strategy for the remainder of the year and/or live streaming production team of your events, or a speaker, please feel free to connect. Either via [lnkagency.com](http://lnkagency.com), [ultralauren.com](http://ultralauren.com), [@ultra\\_lauren](https://twitter.com/ultra_lauren) or [linkedin.com/laurendelisacoleman](https://www.linkedin.com/company/laurendelisacoleman).



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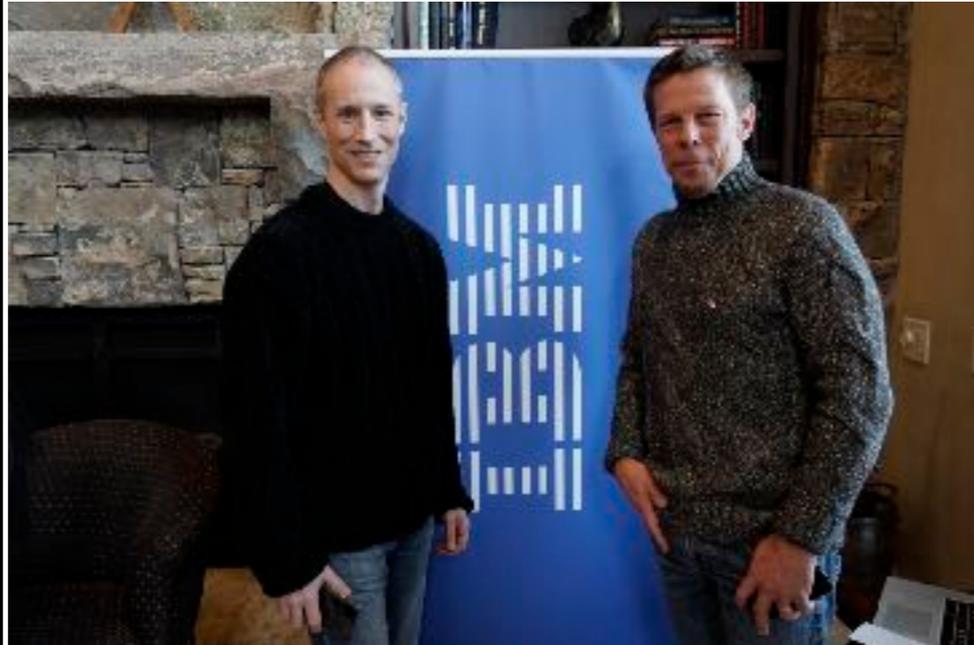
# SPECIAL THANKS:



BRIAN NELSON



JAN YOUNG





# Speaker List and Bios

**David Herrin (Big Data)** is Head of Research at premier global talent and literary agency UTA where he oversees agency research activity on behalf of more than 400 agents representing a globally recognized roster of film and television stars, screenwriters, directors, producers, broadcast news talent, recording artists, digital online artists and Fortune 500 companies. Herrin is a member of the UTA IQ leadership team managing a staff of 16, providing the agency with motion picture industry trends and forecasting; box office, studio tracking & release date analysis; television ratings analysis; seasonal trends in the network, premium, basic cable, OTT and syndication areas; as well as primary research. Herrin also created and developed PreAct, the social media-based long-lead tracking tool marketed by Comscore and used by major Hollywood studios to measure the health of their movie marketing campaigns.

Raised in Philadelphia, Herrin graduated in 1994 from University of Pennsylvania where he earned a Bachelor of Arts degree in History. After graduation, he ran the intern program at the non-profit Greater Philadelphia Film Office. In 2001, Herrin graduated from Villanova University where he earned a M.B.A. with a concentration in Statistics.

Herrin joined the Agent Training Program at UTA in 2002. In 2004, Herrin shifted career paths to pursue his true passion and formed the agency's Research Department, renamed UTA IQ in 2018.

Herrin has been a frequent industry panelist (CES, SXSW) and guest lecturer at USC.

**June Chu (CryptoBlock)** is an entrepreneur and founder of Nutopia.io, a startup based in both LA and Beijing that provides a peer-to-peer short film platform utilizing blockchain solutions. She was instrumental in raising \$1M for angel round from Aplus capital, a reputable venture capital fund in China. She was also a vice president of strategic planning and business development for a public advertising company called Shunya (SZ: 300612) in China. While working in Shunya, she was mainly in charge of cross-border M&A and also early stage investment. With her PR background and connections in the blockchain industry, she organized the Global Media Blockchain Summit at UCLA in 2018. She sits on the board of the Blockchain International Media Group (BIMG), founded by Forbes China and Jinse Media (one of the top blockchain medias in China).

Company info: NUTOPIA.io will utilize blockchain technology to create a decentralized platform that

# Speaker List and Bios

combines crowdfunding + content distribution + royalty rewards to incentivize the creation of high quality short film content. It will fundamentally enhance the interaction between content creators and consumers. Nutopia 1.0 is a blockchain-powered fin-tech platform providing a more efficient way to raise capital for content creators, safer investment environment for entertainment investors, and easier access for content consumers and fans to participate.

**Josh Lawler** is a partner at Zuber, Lawler, LLC. His practice focuses on mergers & acquisitions, securities law and technology transactions. His M&A clients include private equity groups, public and private companies, fundless sponsors, family offices and sellers of large assets. In collaboration with multi-lingual colleagues, Mr. Lawler often works across languages and sovereign borders to execute international transactions. He's worked in relation to over 20 countries over the past several years. Many of his clients are domiciled outside of the United States. Mr. Lawler leads the firm's Emerging Technologies Group, with a particular emphasis on Blockchain (distributed ledger), artificial intelligence, robotics, biotechnology, virtual/augmented reality, cybersecurity, and related technologies. In this capacity, Mr. Lawler counsels clients in respect to securities and regulatory matters, including issue of tokens and digitized assets; as well as development, licensing, commercial use, acquisition and disposition of all manner of intellectual property.

As a dedicated futurist, Mr. Lawler brings enthusiasm and excitement to cutting edge projects. He is a recognized expert in matters relating to distributed ledger technology. In addition to legal counsel, Mr. Lawler provides clients with extreme problem solving skills and practical business advice. Many of Mr. Lawler's clients rely on him as outside general counsel. Prior to joining Zuber Lawler, Mr. Lawler practiced as a corporate securities and M&A attorney at Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Lawler has represented clients in M&A and finance transactions with an aggregate value over \$1B.

**Cyndi Rogers** is a tech founder & entrepreneur, STEM advocate, speaker and influential leader. She is CEO of ForgeDX an interactive experience platform. She was previously CEO and founder of venture-backed 3DplusMe, a 3D printing personalization platform, that was acquired. She spent 5 years at Disney as an Entrepreneur in Residence in Imagineering driving technology commercialization across Theme Parks, ESPN, ABC and Interactive. She is faculty for the Goldman Sachs 10k Program and Babson Exec Ed and founder & President of the Women Tech Council that focuses on the economic impact of women in tech with programs from high school to the board room.

# Speaker List and Bios

Prior to Disney she was COO and CMO at technology companies that were acquired by Ancestry, Proofpoint & FAST. She has built technology & digital experiences used by the world's largest brands, retailers and companies including Disney, Microsoft, ProofPoint, Ancestry, Marvel, Star Wars, Facebook, MLB, MLS, Warner Brothers, NFL, Disney Stores, Target and Walmart. Cydni holds a master's degree in business administration and a bachelor's in computer science.

Name: **Richard Michos (5G)**

Company: IBM

Title: Chief Marketing Officer - Industries, Telecommunications, Media and Entertainment

Name: Richard Michos

URL: [linkedin.com/in/richmichos](https://www.linkedin.com/in/richmichos)

Richard Michos Bio:

Richard Michos is Chief Marketing Officer of the Telecommunications, Media & Entertainment Industry at IBM. Rich helps clients to digitally transform through AI and cloud to glean new client insights and deliver contemporary high value services. Previously, as VP Marketing for Smarter Cities, Rich helped established a new market to leverage analytics to help cities transform. Rich holds an MS in Computer Science with deep experience in applying open source and high performance computing across multiple industries.

**Gary Pearl (AI)** is a Peabody Award and AFI Honors recipient and producer of impact social change content most recently as executive producer of the multi award winning Jane the Virgin and producer of JT LeRoy starring Laura Dern and Kristin Stuart that was last years TIFF Gala Closing Night Premiere. A former William Morris Agent, he has always focused on filmmaker driven impactful films and television.

**Brian Nelson (CryptoBlock)** is the founder of ExTech Ventures, an exponential technology consulting firm focused on helping entrepreneurs and business leaders leverage emerging technologies to create products and services to address the world's greatest challenges. He was introduced to bitcoin in 2011 and quickly became a recognized figure in the ecosystem after helping to launch many of the largest bitcoin exchanges. Brian is the founder of multiple companies, has advised numerous startups, and presented at over 30 industry events. He is also the founder and host of the "The Way of the Futurist" podcast.

# Speaker List and Bios

**Jonny Peters (CryptoBlock)** is the founder of Gaze Coin , a block chain payments system where payments and advertising are triggered by eye 'gaze' . The patented technology ensures users only pay for actual engagement. He is also the founder of Dream Channel - a decentralized mixed reality platform that allows content creators to monetize and distribute interactive content.

**Parker Jones (Innovation)** is Vice President of International at Fullscreen, the social content service and talent management company, empowering talent and brands to grow, engage and monetize at scale. In this role, Parker spearheads the company's international growth, which includes the launch of AlphaBoat, Fullscreen's joint venture with Japan-based Sumitomo Corporation. He started at Fullscreen as VP of Creator Product, increasing the daily active users of the creator platform by 10%. Previously, Parker helped build AwesomenessTV's multi-channel network to 120,000 channels with 800M+ views and 130M+ subscribers as Head of Networks. He also served as Data Guru at YouTube/Google.

**Jordan Allen (Social Impact)** is a content executive with over 12 years' experience growing digital media businesses. As SVP of Revenue, Strategy, and Operations for SoulPancake, the Participant owned content studio founded by actor Rainn Wilson, Jordan oversees the day-to-to business operations as well as works on top-level strategy and initiatives for the company. Prior to joining SoulPancake, Jordan served as SVP of PopSugar Studios where he oversaw content planning, new business, international expansion, and strategy growing over \$30m in video advertising business and more than 400M cross-platform organic views per month during his 7-year tenure. Creative-minded, with an eye towards innovation, Jordan specializes in data-lead strategies and fostering a positive, infectious culture that attracts the best and brightest minds

**Samuel M. Smith Ph.D. (AI)** works at the intersection of AI and decentralized reputation/identity systems as both an entrepreneur and strategic consultant. He has written and continues to write seminal white papers on decentralized identity, reputation, AI, distributed computing, and economics. He provides strategic technical and business model guidance to startups in these fields and is active in shaping the underlying standards and driving their adoption. Samuel received a Ph.D. in Electrical and Computer Engineering from Brigham Young University in 1991. He spent 10 years at Florida Atlantic University, reaching full professor status before retiring to become an entrepreneur. He has over 100 refereed publications in the areas of machine learning, autonomous vehicle systems, automated reasoning, and decentralized systems. He was principal investigator on numerous federally funded research projects. Dr. Smith is an active participant in open standards development

# Speaker List and Bios

## **Tyrone Breaux, Jr. (AI)**

Bio:

1. I'm from Bakersfield, CA
2. I served six years in the United States Air Force
3. I attended New York Film Academy and graduated with a BFA in Filmmaking.
4. I've written and directed 3 shorts, a web series, a spec commercial and this past summer I directed my first feature starring Cherie Johnson from Punky Brewster.
5. I'm a new cat Dad

Social Media handles:

IG: brotateaux

Twitter: bigtbro

**Lauren deLisa Coleman (Event Concept Producer)** is a digi-cultural trend analyst, author, speaker, and tech entrepreneur. She is an expert at deciphering and forecasting power trends and public sentiment within the intersection of popular culture & emerging tech of AI, Robots and Blockchain and the impact of such on business and governance. She helps brands and politicians create messaging that better resonates with today's tech-savvy, pop culture millennials consumer by providing innovative communication strategies, forecast & analysis on cultural trends, attitudes and behavior as it all intersects with emerging tech usage. Lauren has contributed to such media outlets as Daily Beast, cnbc.com, The Next Web, Business Insider, and Campaigns & Elections. She is also a guest commentator on MSNBC, among other media outlets. A long-time contributor to the section at Forbes, she is now about to dedicate all her time to her next startup venture, Vapor Media. An innovator and thought-leader she has provided digi-culture intelligence to notables from Snoop Dogg to Microsoft execs to public policy leaders. Lauren is represented as a professional speaker by Leading Authorities agency. Extended bio and full information can be accessed via [www.ultralauren.com](http://www.ultralauren.com)

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