CHAPTER 4
The Internet

The Seventh Major

Traditional film studios are massive networks of people, resources, knowledge, creative products and screens. They have expertise in producing and packaging films and extensive relationships around the world and knowledge of local markets and audiences. Most importantly they have access to the significant sums required to produce and market a film at a high budget, and the output deals to ensure such films get seen. As discussed in Chapter 1, the big six studios: Sony, Universal, Disney, Fox, Warner Bros and Paramount together control the overwhelming majority of films screened, sold and broadcast. While recent years have seen a growth in the popularity of independent films, most of these have still been produced and released by the specialty divisions of the major studios.

In the same period, we have seen the gradual emergence, very loosely, of a seventh major studio-like power. It is neither owned by a single organisation or individual. It does not even have a manager. Rather it is a collection of tools, networks, information and communities which collectively could be said to be beginning to offer similar functions to a traditional vertically integrated studio. From script development, through funding, to crewing, management, procurement, communications, marketing and distribution, the Internet offers cheap, and effective tools. And of most interest to the independent producer, this 'studio' is neutral, largely meritocratic and completely global.

A writer in Wales can connect with a production team in Oslo, to produce a film shown at international festivals found via the web, and streamed from a service in California through a social network based in London to a viewer in Venezuela. While accessible capital and infrastructure is still currently a long way behind a traditional studio, these new connections between ideas, creative people and audiences, which aren't dependent on being based in LA or having access to a great local cinema, makes the spectrum of stories told far broader than ever before, something as exciting for audiences as for the independent filmmaker.

In this chapter we begin to explore the finance, marketing and distribution 'divisions' of this new 'studio' and how they can both help you fund your film and connect with an audience, who sometimes - as two interviews illustrate - are the people providing the finance. We also look at some of the new ideas — including Cluetrain, the Longtail, the Wisdom of Crowds, Open Source and Creative Commons — which are driving 'Web 2.0', the term currently used to describe the internet's evolution from publishing platform to open operating system.

Finance 2.0

'Somewhere... somehow... someone's going to pay!'

While producers have for some time been using the Internet to advertise their film to potential investors, the notion of '**crowd-sourced**' financing (sometimes known as 'crowd-funding') is a relatively new concept. By spreading the cost of producing a film between scores of individual investors who may put in no more than the cost of a DVD, significant sums of money have been raised. In

> '**Just as the spread of literacy in the late middle ages disenfranchised old power structures and led to the flowering of the renaissance, it's been the ability of individuals to share knowledge outside the normal channels that has led to our current explosion of innovation.**'
> **Tim O'Reilly, O'Reilly Media**

June 2006, producer Jim Gilliam emailed the buyers of the previous films he had made with Robert Greenwald asking for help with their next documentary, *Iraq for Sale*. Nine days and four emails later over 3,000 people had collectively raised $267,000, enough to release a further $100,000 in funding and cover the costs of production.

Crowd-sourced financing doesn't have to offer money back to the micro-investor in the event of the film making money; the offer could be a copy of the DVD, a role as an extra, or as in the case of *Iraq for Sale*, simply their name on the credits. The type of incentive will ultimately depend on the project's kudos (cast and key talent involved, web buzz, etc.) and the reasons people are likely to support it will vary with different types of project.

Iraq for Sale worked because the filmmakers are well known and a large group of people wanted the documentary's issue about the use of private contractors in Iraq to reach a larger audience. For supporters of PouringDown.TV's Daniel Liss – who raised $2,000 from his viewers for *7 Maps*, a series of viewer-inspired films off the back of a popular web vlog – the chance to be involved with something original and groundbreaking was probably the motivating factor.

Where a project has a guaranteed audience but no easy way of raising cash, one option would be to pre-sell DVDs ahead of production to finance it, (though this would obviously jeopardize any possible DVD distribution deal). As well as offering a chance to raise cash, crowd-sourced films also increase exposure, engaging the potential audience at the earliest stage. In the case of *A Swarm of Angels* (see below) investors also have a say in posters, trailers, script development, casting and so forth. Some examples of web-based financing follow:

Fundable.org
Fundable is an early pioneer of crowd-sourced financing. An individual creates a project bid for a set amount of money and invites a group of people to pledge support by providing credit card or paypal information on Fundable. If enough money is raised, everyone is billed and the money is paid to the project creator, less a 7% commission to the service. If the full amount isn't raised within a set time limit, then all pledges are deleted.

The system could be used to fund

- Group purchases, such a video projector for a screening group or camera for a film workshop;
- Bulk purchases for a number of organisations, eg. 100 DigitBeta tapes;
- The production budget for a film or video project;
- Distribution costs to secure sufficient sales before going into production, e.g DVD pressing costs of $1,000 could be raised by pre-selling 100 copies for $10.

Typical bids for funding are between $500 and $3,000 with individual pledges usually around $20 to $50. Projects successful in raising money on Fundable include the short film *Signage* (www.idlerichpro.com) from Doug Hertz and Claudia Myers. The film raised over $2,000 to cover completion costs including final sound mix, colour correction and graphics laid in for titles and credits. Donors offering more than $250 were listed in the credits.

The documentary *Polly's Global Walk* (www.pollysglobalwalk.com) sought minimum donations of $30, offering funders a copy of the finished DVD and their name on the credits. The project raised $1,440, almost double the $750 originally asked for.

Have Money Will Vlog

HaveMoneyWillVlog.com is a website where a group of volunteer 'advocates' act as an informal commissioning structure for video-blog (vlog) and online video proposals. The advocates promote projects they believe in to potential donors, be it friends, family, the site's visitors and related mailing lists etc. Projects are usually funded within several weeks at a level of between $1,000 and $2,000. Those looking for funding must first 'find an advocate' who will promote and vouch for the project, details of which are then posted to a Wiki (tools that allows visitors to add and edit content) and discussed before being promoted formally by the site and other advocates. Some of the projects funded include:

LostinLight.org – a website dedicated to preserving 8mm films, raised over $1,500 through 'Have Money Will Vlog' to buy equipment to digitise footage. The site will digitise and host (under a Creative Commons license) the 8mm films of anyone who sends in their film.

7 Maps. Vlogger Daniel Liss of PouringDown.tv raised $2,000 to support a seven day trip through Canada writing, shooting, editing and posting one film a day in response to instructions from subscribers to his vlog.

SustainableRoute.com pulled together $2,000 for a documented road trip across America filming individuals and communities attempting to live in an environmentally sustainable way.

ColumbiaMigrationProject.net is an ethnographic/videoblog project following Colombians in the US and in Colombia about their experience and hopes about immigration, which raised $2,100.

Kinooga

Kinooga (kinnoga.com), created by founder of the Hollywood Stock Exchange Max Keiser, allows micro-investors to pre-buy downloads of a film, typically for a nominal $10-$15. These presales also act as an investment, allowing the funder to enjoy a profit share in the event of the film making a profit. No funds are released to the filmmaker until all the money has been raised, although most films listed on the site at publication were yet to raise 10% of their total asking price.

Sellaband

An interesting model from the music world is **Sellaband.com**, where artists encourage 1000 fans to fund the burning of an album to the tune of $50 each, upon which the fans get both a limited edition CD and investor status. Once mastered, the songs are offered as a download for free, and for sale at gigs and online, with money earned shared between artists, funders and the service (which owns a share of all future publishing revenues). At publication, four bands had been financed in this manner, having used the service to raise a full production budget. A similar service could realistically be created for film production (and by the time you read this probably will have been!).

The One Second Film

Crowd-funding can also be done directly via a single website with links to PayPal or another online payment system. Nirvan Mullicks' *1 Second Film* (the1secondfilm.com), raised over $150,000 from over 7,000 backers, most of whom paid just $1 for a producer credit. The 70mm film, made up of one second of animation followed by 90 minutes of producer credits and documentary, garnered enough interest to bring in backing and 'investment' from the likes of Stephen Colbert, Spike Jonze, Kiefer Sutherland and Samuel L Jackson. Any profits from the film are set to go to the Global Fund for Women. In early 2007 the IMDB stopped listing the films' full 7,000 producer credit list – which split up executive, associate and standard producer depending on the level of investment, fearing that it set a bad precedent.

New thinking
Open Source & Free Software.

'Open source gives us a better tool for innovation, not because of any magic in its development methodology (although there is great power in distributed peer review), but because it is part and parcel of an environment in which multiple players can take us in unexpected directions… I'd like to argue that open source is the "natural language" of a networked community, that the growth of the Internet and the growth of open source are interconnected by more than happenstance. As individuals found ways to communicate through highly leveraged network channels, they were able to share information at a new pace and a new level.'
Tim O'Reilly

If the large software companies such as Microsoft, Apple and Adobe are the tech equivalents of the major film studios, then the open source movement would be the independents. However, unlike the indies who have been forced to compete for ever shrinking shelf space and cinema screens, open source software - by virtue of normally free and often better developed products – has grown in popularity.

Since Linus Torvalds unveiled his own version of Unix (Linux) in 1991, the open source software movement has become one of the most active and energetic areas of software development and human collaboration. In short, coders create and distribute modifiable, and 'open' software packages. These range from the Apache web server, used by the majority of webhosts worldwide, the Firefox web browser, which is second in usage (and fast growing) to Microsoft's Internet Explorer, OpenOffice, which offers an alternative to MS Office, through to 3D animation (Blender), content management (Joomla) and blogs (Wordpress).

The most surprising aspect of the Open Source movement has been the speed with which autonomous development communities have formed, and the high standard of work such a disparate collection of people from around the world work can often produce. Like much microbudget film production, the contributors will never profit financially directly; though they may in the long term through associated businesses such as training, consulting and a more marketable skillset (some such as Linux distributor Redhat are valued at over $3bn). Once complete, however, these tools are generally - without the duplication or distribution costs of conventional products - completely free.

In the last five years the movement has influenced the non-software creative sector, notably Creative Commons (see below) and Wikipedia, the content of which is distributed under a General Public License (GPL), making it free to copy, modify and distribute.

Elephant's Dream, an 11 minute animation which premiered on the Internet in May 2006, describes itself as an 'open movie' and acted as a test case for a more complex production. It was animated on the open source 3D package Blender, was distributed, with the soundtrack, under a Creative Commons license - and almost all the tools used in its creation were open source. Furthermore it provided an early outing for an EU backed project spanning 6 countries - the open source UniVerse - which allowed 3D animators in different countries to connect their computers and 3D software in order to collaborate more closely. The film is an allegorical story of a hopeful boy and embittered man traveling through the internal workings of nightmarish machine that responds to their every move. In less than a fortnight of online release it was downloaded more than a million times. See www.netribution.co.uk/2/content/view/611/267/ and www.elephantsdream.org

With less fanfare but on similar lines, video social networks such as YouTube have seen a growth in unmediated collaborations. For example, a number of musicians have filmed themselves which others have downloaded and added their accompaniment to creating an impromptu virtual jam, or someone has started a story which others continue. In one notable example user MadV invited fellow YouTubers to write a message for the world on their hand on the theme of 'one world', receiving over 2,200 submissions, which were selected and cut into short film *The Message* (www.youtube.com/profile?user=MadV).

'One of the more difficult things to comprehend is that the gift economies—like those that sustain open-source software—coexist so naturally with the market…'
Jonathan Lethem
The Ecstasy of Influence

Jim Gilliam,
producer, Brave New Films

In just 10 days and from four emails, Jim Gilliam raised over $267,000 to fund the documentary *Iraq for Sale* from more than 3,000 people. With a background in the Internet, Jim has used the Internet to pioneer new financing and distribution models while producing political documentaries with Robert Greenwald.

How did you come into producing?
My whole professional background is on the internet. Until about three and a half years ago I was doing dotcom stuff, I was the CTO (Chief Technology Officer) of business.com, I'd done some things with eCompanies, which is an incubator like Idealab. Then I decided that I didn't want to do that with my life and so I ditched it a little after September 11, and eventually decided I wanted to do more political things, which by happenstance led me to doing documentary films, because of what Bush was doing with Iraq. And there was a story which no-one was paying any attention to, which was that the intelligence [for going to Iraq] was all completely bogus. You had all these CIA people saying it was totally bogus, and no-one was paying any attention to them. And we had to get that story out there, so that became *Uncovered*, which we started in July 03 shortly after the war was 'over'. And we got it out in about October of that same year. And since then I've worked on all these films. That one totally took off

and we've done *Outfoxed* and *Walmart* and now *Iraq for Sale*.

A lot of people I'm sure would like to make the leap from a desk job into making films that they believe in, how did you find that transition?
It worked out really well for me, because I hooked up with Robert Greenwald, who is a really respected director; he'd made many many films. But he didn't know much about technology and I did, so I was able to provide a whole lot of insight and skills for the project that helped us get it done much much faster than we would have before. Even little things like being able to download video from the White House website so we could start cutting them straight away - we wouldn't have to wait for screeners to come in. It was amazing how helpful things like that were, like being able to do research online. It was a great opportunity for me to learn the filmmaking stuff from a great filmmaker, and he got a lot out of it, because I was this tech guy.

Were you involved in fundraising for his earlier films?
Fundraising was always a case of us having no idea where the money is coming from. Robert would take out loans, he would try to scramble, we got some money from MoveOn.org, we got a little money from this group or that group. But basically we couldn't raise any money, that is what it boiled down to. Nobody really wanted to touch it. And he took out a lot of loans and we ended up doing alright from DVD sales so that we could keep going.

Can you talk me through what happened with the funding for Iraq for Sale?
I was involved in the funding for that one. That was one of my big dreams. We basically put a lot of effort after *Outfoxed* into collecting all of the emails and contact information for all the folks who had bought *Uncovered* and *Outfoxed*, all the folks who had bought those DVDs. So the very first thing you think right off is OK, we can get them to organise screenings. But then we were like, what if we can go to these folks to raise money. What if we can solve our big fundraising problem and make any film we like if we can convince them that it is a good idea. So that was the idea from the get go, but we thought it would be a long while before we could get to that.

And, to do *Iraq for Sale*, we basically got desperate. We were like, 'it's a great story, we've got some great research, we really want to do it, we're at the end time wise, we've got to make a call whether to

do the project or not, lets just go for it'. And so we did, we went for it. We went back and forth in the meeting internally about how much to ask for and I was like, well how much do we need?

And basically we figured out we needed $300,000. Well we had a commitment for $100,000 and none of us thought we could raise more than $100,000 online. I was the most optimistic, I thought we could do $100k, everybody else thought it was more like $50k. But we pulled it off, we asked for the whole thing and we raised $220,000, basically through our email list. Which was incredible. They really believed in the project and what we'd done.

How many names were in the email list?
At the time it was 170,000.

It worked partly because you had built up a relationship with these people over a number of films?
Oh yeah there was a lot of work that had gone into putting that together, and a lot of these were folks we'd come into contact with because of *Walmart*. This was not like putting a blog post up and all of a sudden everybody comes and knocks our door down. We'd carefully cultivated an audience and put a lot of effort into the technology to pull them all together so that we could email them all at the same time.

And did you offer them anything?
We did, we offered them a credit. We told them we could offer them their name at the end of the film which we thought was the coolest thing we could do. We thought about offering a copy of the film, but decided that it was obvious. But we thought the credit thing would be cool, and of course it would be cheap. It didn't really cost us anything and people did a lot of things with it too, they put in the names of soldiers, loved ones, even their website names, names of their peace groups, stuff like that.

Presumably it also meant that by the time the film was finished there was a huge audience who were really into the film and wanted to see it succeed?
Oh yeah. I mean, that was the reason we really wanted to engage the audience with *Walmart*, we wanted them to be invested, just emotionally in the project overall. The sooner they were engaged, the more they would care about it being a success.

That was definitely a goal. It's a great opportunity for filmmakers these days to be able to build an audience themselves and interact with them directly, because then you can make whatever kind of movie you want

to make because they'll be with you. If you've got faith in them they'll be with you, to support you.

Brave New Theaters seems another similar idea, mobilising people to do something that previously a big film organisation needed to do?
So the idea is to take our distribution model - people call them house parties, we just call them screenings - and make it available to all filmmakers. And seeding it with all of the folks who have screened our own films, the 1000s of folks that we've already been engaged with. It's basically just a place where we match up filmmakers with screening hosts. And so both sides want to reach more people for their cause or whatever reason - for fundraising or just to have fun. And by hooking them up with the right films, and the right activists or the right screening hosts both sides can win, and we provide tools for everybody to reach a bigger and bigger audience.

So you can invite people to the screening, you can put buttons on your website, send out an email, various RSVP tools.
And we'll keep building out that functionality over time to create a fully-fledged people-powered movie distributor. And really engage the audience to reach more people. The hope is that it becomes this virtuous circle, where the films are both being marketed and distributed by the people that are really engaged and care about your films, so that no matter what size, or no matter how small the niche might be there is someone out there who cares about it and will want to screen it and show it to people. Stuff like that.

How many screenings or films have been listed on the services?
So we've had (checks computer) 8400 screenings, I think we're up to about 60 films.

Documentary seems to have become increasingly popular with audiences recently?
I think there's been an increase in people finding out what's going on and it's only been because the mainstream media hasn't been covering this stuff that filmmakers have gotten so frustrated and said look, we're just going to do this ourselves. You don't want to distribute this? We'll just go and do this ourselves. People want to know what's going on. I think the documentary thing is about telling these true stories that the mainstream just won't touch. And if they had then they wouldn't have been getting this threat - it wouldn't have become so powerful.

Marketing 2.0

'This time it's personal'

'Content isn't king. If I sent you to a desert island and gave you the choice of taking your friends or your movies, you'd choose your friends - if you chose the movies, we'd call you a sociopath. Conversation is king. Content is just something to talk about.'
Cory Doctorow, BoingBoing

The **Cluetrain Manifesto** (www.cluetrain.org) was published in April 1999 and suggested that the future of the internet (and hence most business) stood in conversations. The web had exploded, it argued, as a communications medium within which traditional corporate top-down marketing just wouldn't stand up. To get anywhere online amidst the billion or so voices competing for attention, companies would need to enter into a two-way dialogue.

While it could be argued that few major corporations have yet to successfully pull this off, web users have embraced the concept in the same time it takes a class of students to break silence once a teacher has left the room. The explosion of blogs, podcasts, social networks like MySpace and Bebo and community-driven services like Digg and Del.Icio.Us – not to mention flickr, eBay and YouTube - have shown Cluetrain to be right on the mark.

The most interesting conclusion of Cluetrain for independent filmmakers is that success on the web seems to demand originality and integrity. Where producers may have often been encouraged to pander to the mainstream market, reaching the broadest possible appeal with their work to the point of homogenization, on the web the vast competition for attention makes uniqueness and honesty a strong 'selling point' (especially when coupled with creative talent!). The idea has echoes of the Free Cinema Movement, a creative force in filmmaking in the 1950s.

Approaching the web
Online marketing can be as cheap as the work you put in and can be incredibly effective. Films such as *Snakes on a Plane* and *The Blair Witch Project* generated such strong online buzz that the web campaign became a news story in itself. Yet the Internet is a massively competitive marketplace for ideas and stories with, by the end of 2006, some 1.5million blog entries and 65,000 new videos on YouTube published daily.

Getting noticed online may be free, but it is rarely easy, and the most effective web promotion methods, such as blogs and social networks, take time and a long-term commitment. If you spend all your time building and updating a website, you'll never get a chance to finish the masterpiece or business plan.

But of course a good website isn't just about drumming up interest from strangers, it also provides a place where those potentially involved with a project – financiers, buyers, cast, crew, journalists and, of course, audiences – can learn more. Not having even a basic single page presence can suggest a company is at best aloof, or at worse not serious or trustworthy. While at the development and financing

'Tell us some good stories and capture our interest. Don't talk to us like you've forgotten how to speak. Don't make us feel small, remind us to be larger. Get a little of that human touch.'
Chris Locke, The Cluetrain Manifesto.

'As filmmakers we believe that no film can be too personal. The image speaks. Sound amplifies and comments. Size is irrelevant. Perfection is not an aim. An attitude means a style. A style means an attitude. Implicit in our attitude is a belief in freedom, in the importance of people and in the significance of the every day.'
Lorenza Mazetti, Lindsay Anderson, Karel Reisz, Tony Richardson The Free Cinema Movement

New thinking
The wisdom of crowds

'Sometimes… these nonmarket collaborations can be better at motivating effort and can allow creative people to work on information projects more efficiently than would traditional market mechanisms and corporations. The result is a flourishing nonmarket sector of information, knowledge, and cultural production, based in the networked environment, and applied to anything that the many individuals connected to it can imagine. Its outputs, in turn, are not treated as exclusive property. They are instead subject to an increasingly robust ethic of open sharing, open for all others to build on, extend, and make their own.'
The Wealth of Networks, Yochai Benkler

To support the launch of the film *AI*, Warner Bros hired Microsoft developers to create a massive online game with hidden puzzles across a number of websites. Within days of it being launched, a community had formed to help each other out with the increasingly fiendish puzzles. The game's creators later joked that they were so blown away with the speed at which puzzles were solved that had they sought a cure for cancer it would have been found. The 'wisdom of crowds' argues that by collectivising knowledge and experience online the total output is greater than the sum of its parts. An obvious example is Wikipedia, where a number of people work together to create a single encyclopedia entry. On Digg.com users vote on articles to appear on the front page of the site, while user voting and commenting is integral to most community sites, from YouTube to Flickr.

According to James Surowiecki, author of *The Wisdom of Crowds*, which discussed the idea and coined the phrase, four key criteria separate wise crowds (such as those who build open source software that works better than commercial alternatives) from irrational ones (such as those who fuel stock market bubbles):

- Diversity of opinion - each person should have personal views even if it's just an eccentric interpretation of the known facts.
- Independence - people's opinions aren't determined by the opinions of those around them.
- Decentralization - people are able to specialise and draw on local knowledge.
- Aggregation - some mechanism exists for turning private judgments into a collective decision.

The full implications of such network effects for the film industry are yet to be seen, but are beginning to be explored. onedotzero founder Matt Hanson is exploring the area through *A Swarm of Angels* (see below) a collaboration to build an open source film. In 2006, The Beastie Boys created a concert movie *Awesome, I fuckin' Shot That,* (www.beastieboysmovie.com) by distributing 50 Hi8 cameras to fans in the crowd. In terms of distribution, an example from the music world shows how the wisdom of crowds can match people with content they might otherwise never discover. Last.fm builds user specific radio stations based on the tracks and artists members say they like (if you say you like Radiohead, it may play Explosions in the Sky). Like Amazon's recommended products feature, it helps the user find things which they would otherwise find hard to locate but probably appreciate.

stage there may not be time – or even need – to develop a full blown web strategy, some form of presence is increasingly expected.

Domain name

If you aren't able to build a website just yet, it is still worth registering a domain name for your production company and/or project (the shorter the better) before anyone else does. This can forward to a blog or social network page until you have a full site, while also allowing you to have an identifiable email address. While it makes sense to have the domain name for your country (ie .fr, .co.uk), if you intend to operate and distribute internationally, a top level domain (TLD) - .biz, .com, .org, .net, ,info and .tv (not strictly a TLD) can make a better impression. Dotorgs are normally reserved for non-profit organisations.

Search engines

The art of getting good search engine rankings would fill a book in itself, but could roughly be summed up as designing your site's pages to be search engine friendly, and encouraging as many people as possible to link to you. The first step to being found by the main search engines is registering with them – Google, Yahoo, AskJeeves, MSN, Live, Alexa & DMOZ, all of which have a form for alerting them to new sites.

Search-friendly sites are built with consideration to the way a 'spider' (automatic robots which 'crawl' the web, looking for content) may index them. A site designed entirely in Flash (an animation tool) may look nice but cannot be indexed by the search spiders. Keywords, which you would want people searching for, ie. 'disaster comedy' or 'Helen's Film Company', should appear prominently on pages, links and titles. Some tips at searchenginewatch.com/showPage. html?page=2168021

Google ranks pages based on how many other sites link to them (and how reputable these sites are). If you have a links page, you can offer reciprocal links to people you know, while there are plenty of web directories where you can submit your site and company details, all increasing links to your site. Similarly, linking to the site in every email, piece of publicity, forum posts, web articles and comment items, will increase the number of sites linking to you.

There's plenty of room to be creative. For example if you want to get high search rankings for a phrase like 'food movie' you could write an in-depth, researched article about 'The 10 Greatest Food Movies' with plenty of links to other sites. Then submit a link to the article to forums, communities and websites relating to food, asking people to read the article and give you comments. It can take time, but as more people link to the article, your page should become strongly associated with the keywords. Although there is a fine line between this and spamming - make sure the information is of interest and use.

Further info: www.SearchEngineWatch.com | SEO Wiki entry - en.wikipedia. org/wiki/Search_engine_optimization | List of search engines Wiki - en.wikipedia. org/wiki/List_of_search_engines

Video hosting

Again, this is a subject that could fill a small book in itself. The key question to decide is where to host your video:

- On a **centralized service** (eg. Google, DailyMotion, Revver, etc.) – this is usually straightforward to set up, and connects you to a network of people who may otherwise never stumble across your work. Some of the video sharing sites are becoming more producer-friendly. Blip.tv, for instance does not brand its video

viewer, which is good for embedding in your site without promoting them, and allows you to apply usage licences, such as Creative Commons. On the other hand you will be putting your content in the hands of a separate organisation, and will be subject to their user agreement, server stability, encoding, business health and so forth. For example after Viacom sent takedown notices to 120,000 YouTube users believed to have been posting copyrighted content, a number of people whose content had similar names to Viacom properties found their work taken offline.

- **Hosting video yourself** (eg. Broadcast Machine, Brightcover, custom) ensures you are in full control at all times, but requires some technical knowledge to ensure it will work on the majority of websites. You first need to encode your film(s) in a workable format, such as QuickTime, RealPlayer, Windows Media Player or more commonly Flash Video. Flash can then be embedded within pages and has become increasingly popular, because of the ubiquity of the Flash player (almost every web user has a copy, regardless of browser or operating system).

One of the simplest ways to create a channel of videos is through Broadcast Machine – an open source system which allows the end user to publish a channel of videos on their website which people can subscribe to via iTunes or RSS (see below), and even distribute their files as BitTorrents (which shares the bandwidth costs). Download from www.getmiro.com/broadcast

Where to host your video: pros & cons

	On a centralised service (eg Blip, Google Video, etc)	On your own site (either directly hosted, or through Broadcast Machine, etc.)
Pros	Large potential audience, and accompany social network; File hosting and management costs covered; Easily embeddable in your own site and others.	Greater control over your content and usage; Build up a community around your website, rather than someone else's; Retain full independence.
Cons	Sharing ad revenues with service provider; Subject to site's policies, stability and content licensing; Little control over comments or who embeds your video.	Higher technical know-how required; Potential bandwidth costs; Need to actively promote your site / video to encourage visitors.

The blog

A simple blog (short for web log) is a user-generated website, presented in a journal style with the most recent entries at the top. A blog shows that a website is active, while providing an insight into how the production is coming along, allowing people to 'build a relationship' with your film or company over a long period of time. Blogs can be hosted on a larger blogging service, such as the Pixar insider blog Luxo (pixaranimation.blogspot.com), or within a blogging programme like WordPress on a standalone site such as Colin Kennedy's blog for *Hallam Foe* (www.getyourpeople.com), who as assistant to director David MacKenzie had a unique position to see the workings of the production from start to finish.

Once set up and after your first post, submitting an **RSS** (really simple syndication) feed of the latest entries to the main tracking services such as feedster.com and technoratti.com will increase the chances of people finding you. RSS also allows, for example, a development executive to subscribe to your blog's feed to keep abreast of news on your project without having to keep going back and forth to check the site.

Further info – blog software comparison chart www.ojr.org/ojr/images/blog_software_comparison.cfm | legal guide for bloggers - www.eff.org/bloggers/lg/

The website

At a minimum, a **company site** should include full contact details and background to the company, projects and key individuals involved. A newsletter signup, mission statement, press release and clippings archive are almost standard, while a blog is increasingly the norm for net savvy companies (eg. googleblog. blogspot.com). Relevant videos, artwork, stills, links and articles of interest will increase the site's stickiness (amount of time people stay on the site). In addition, social network sites, such as Blip.tv, YouTube, IMDb and Netribution profile pages should both increase traffic to the site while appealing to those who stay within social networks.

Standalone **websites for films** typically include synopsis, production notes, clips, trailers, image galleries, a forum or chatroom, screening information (depending on the stage), free downloads, latest news or blogs, a newsletter and frequently puzzles and games. Most importantly, the site, if intended for a potential audience as opposed to investors or buyers, is expected to extend the universe of the film into the web. Elaborate full screen flash animations and embedded video, with atmospheric sound can recreate the world of a nightmare (hostelfilm.com) or existential riddle (donniedarko.com).

Some general tips:

- Put content on your website in an **easily re-usable format**. If a blogger cannot easily copy and paste parts of your site's text, or hotlink stills from the film into their own site, you are making it much harder for them to promote your film for you. Likewise, provide trailers and film footage that can be embedded in other sites, eg. via YouTube or Vimeo or VideoEgg.

- Provide Creative Commons (see below) or similar open copyright notices on materials you want to be used in the marketing (eg press releases, stills, trailers, footage etc) to **encourage people to freely use** in their own sites and blogs. Being protective of marketing materials can be self-defeating.

- Have a no-spam **email newsletter**. Even if you don't plan to send one out for several months, collecting email addresses on your site helps you to build a lasting relationship with interested visitors and is of increasing value over time.

- **Test your site** and its content on low quality kit. The trailer may sound great on your studio-grade monitors, but on a home PC with built in speakers it could sound terrible. Likewise, not everyone has fast web access or big monitors. If your site looks good on a low-fi set up, it will definitely look good on a higher spec system.

'Kids are more powerful than ever before.. They are able to get content and make it their own. That's a scary thing for people who own properties but it's also good for us because kids are more invested in the process and feel more connected to it.'
Leigh-Ann Brodsky, President of Nickelodeon and Viacom Consumer Products

Generating word of mouth

The holy grail for a film is the situation where fans produce trailers, artwork, posters and reviews, running their own fansites covering every new story and announcement relating to the film in great detail. This is most common for large projects with cult appeal such as *Harry Potter*, *Star Wars* and *Lord of the Rings* as well as unexpected titles such as *Snakes on a Plane*, as opposed to an independent project with no named talent or cast. Such communities can be powerful as NewLine discovered after plans to drop Peter Jackson from *The Hobbit* backfired as users of the OneRing.net community planned a general boycott of the studio and an attempt to discourage key talent from working on the project.

Word of mouth, 'viral' web phenomena can generate a huge peak of hits and interest in a very short space of time, although they are almost impossible to predict, and once unleashed are very difficult to control. Common themes include mashups (*Brokeback to the Future, Scary Mary*), clever display of initiative (*Million Pixel Homepage, One Red Paperclip*), cult or retro factor (*Starlords, The Meatrix*); special or impressive skills (*'Robot Dance Kid'*); cool and futuristic technology (Steve Jobs keynotes); triumph over corruption, bureaucracy and greed (*Al Gore's Penguin Army*); the stupidity of other people, and of course celebrity.

Mashups, a phenomena with roots in the live visuals / VJ world, mix together a number of often contrasting pieces of video (or music) to create a single form, which in the case of, for example, *Little Miss Sunshine (horror)* or *Requiem for a Toy Story* can arguably widen the audience to people who may otherwise be unaware of the film (see more at TheTrailerMash.com). Some general tips

- **Form meaningful relationships** with the right communities and social networks. Finding and maintaining these can be time consuming, but if well targeted, immensely powerful. As with all marketing this comes down to understanding who the audience for your film is (it will rarely be just one group) and finding communities where such people exist. A meaningful relationship, like in life, is a two way exchange so let them tell you what they need.

- **Appeal to people's desire to help**. If you find a website or group that would appear to be interested in your project, rather than forcing them to fit with a marketing plan of your own, take time to understand how their community works, and if needs be ask for help. A posting in a chess community saying 'I'm working on a film about a chess grand master and would love to know how best to find people here who would like to see it' will probably get far more response than 'buy chess film here with a discount'.

- **Give something away**. Give things away for free: content, prizes, tickets, credits, exposure for their films/blogs and so forth. Many sites are hungry for content, so breaking up your press pack into articles or behind the scenes video which can be republished for free is cheap press coverage.

- **Be honest.** Frauds soon get found out. Sony suffered a massive credibility backlash online when it was found out to be hiring PR company Zipatoni to create a fake fan site (alliwantforxmasisapsp.com). It's easy to pretend on the web to be something that you are not, but some of the most successful sites are those that are honest about their aims and the people behind them.

- **Stay human.** The internet is driven by human beings, not corporations, so make sure you act like one.

Matt Hanson,
A Swarm of Angels

Like *Elephants Dream*, *A Swarm of Angels* is an attempt to bridge the world of cinema with the bottom-up networked world of open source and the Internet, creating a fully financed feature film to be released under a Creative Commons non-commercial licence. Yet if the finished film can be distributed freely upon release - why would anyone bother paying to see the end result? Instead, people pay to be part of the process of creation. £25 ($50) gets you membership of the Swarm, and you can start voting on scripts, posters and production, while discussing decisions and direction directly with project conceiver Matt Hanson, who founded the pioneering **onedotzero** festival, and has written extensively about the future of cinema.

What are your main goals with Swarm of Angels?
I'd like to push feature film form forward because of its iconic status. There's a great quote I use in *The End of Celluloid* from William Gibson: 'Digital video strikes me as a new platform wrapped in the language and mythology of an old platform. Lamb dressed as mutton, somewhat in the way we think of our cellular systems as adjuncts of copper-wire telephony. The way we still 'dial' on touchpads. We call movies 'film,' but the celluloid's drying up.'

Essentially *A Swarm of Angels* is an idea I've been circling around for a while to direct a film that starts to eject the assumptions of the old platform. For example, many directors focus on wanting their work to be distributed on the big screen. To me that's an old mindset, based on an outdated hierarchy of the screen. Yes I'd like it to be projected on a great swathe of cinema screen, but also on a video ipod, and a computer monitor.

How is the Swarm structured: how are decisions made and is the process democratic?
This is totally new, so we are evolving it as we go along. I wouldn't call the process democratic, but it is collaborative. I have overall control, much more than I would in a traditional project by a first time feature director. But in the same instance members get unprecedented access to the creative process of feature filmmaking, and the chance to influence and shape the film. That can be through direct contribution of skills and materials. Or it can be through voting — we have series of polls on creative and production decisions. For example a member vote recently chose the version of the film project poster we are to use.

How do you apply the 'hive mind' to a medium which has often been auteur driven?
Hive mind implies a kind of conformity, a uniformity of vision, so I don't like the term compared to the idea of the 'wisdom of crowds', which is more about a diverse collection of independently-thinking individuals. I could argue you get a 'hive mind' in Hollywood cinema, or 'Euro co-productions', or US indies... there is a certain view held by organisations and individuals who can fund and distribute those productions as to what is commercially acceptable and artistically viable for them to produce.

The idea of my 'swarming angels' model is actually that we are not beholden to this spectrum of artistic taste and commercial payback. The eventual size of the Swarm — 50,000 — is a global niche audience

that means I'm able to make something far more distinctive because I essentially only have to make them and myself happy. If someone else likes it that is a bonus, but I am free from commercial bonds. The members act as an echo chamber and feedback loop, so the film evolves into something that is more inclined to our cultural tastes. Forum postings on books, soundtracks, and movies we like suggest we are already self-selecting particular 'cult' tastes.

Do you think the idea of auteurship in cinema is outdated?
On the contrary, I think it can regain ground with digital tech as the enabling force. The Internet allows you to create a large enough group of people who share niche tastes, to create media specifically suited to them and you. Paradoxically by including similar-minded people in his/her creative process the filmmaker can have more control and authorship over their vision. I'm essentially trying to invent a new relationship between filmmaker and audience. But it needs a landmark project of this size to work, and for people to support it, to show that there's a viable alternative filmmaking model to the current ones.

Do you think this ongoing dialogue with the swarm will help you better understand the ultimate audience for the film?
Ultimately they are the audience. At the same time they are the tip of that particular iceberg of people who share similar cultural tastes. This type of participative cinema means the Swarm develops into an ongoing focus group, and generator of ideas.

Why should someone pay £25 - what do they get?
Access to exclusive media including video, audio, podcasts, and limited edition merchandise including a member-only DVD. An Angel also gets editorial access to the process through member-only forums, and being able to post and communicate with the filmmakers, and vote on key creative and marketing decisions.

Most of all, this is a chance to be part of a revolutionary filmmaking experiment.

It's Creative Commons licensed - what was the thinking behind that?
I've been involved in producing VJ and remix cinema projects. I like the idea of sampling other work, and doing it legitimately. So this is a digital community project, as I want to give something back to the community by opening it up for free sharing and non-commercial use, as well as commercial sampling.

There's a huge opportunity in more open content that Hollywood and the music industry haven't realised or been able to move toward because their business models are predicated on something else.

As consumers we are all becoming used to creating our own media, and viewing it how we want. As such, personally, I don't want to cripple my media with bad DRM (Digital Rights Management, see below) and punish viewers/users of my material. A Swarm of Angels has Cory Doctorow as an advisor who is a far more eloquent expert on the issues of copyright, open content, and opponent of DRM than myself. You should check out his arguments against it.

Do you worry about piracy?
I understand artists and creators should be paid for their content. Copyright was invented to protect those rights, but it has shifted dramatically to become a protection for commercial exploitation by companies. Often this actually harms the rights of artists now. So the idea of piracy has changed, and there is not a sensible debate on this because of the vast lobbying power of current commercial interests.

I'm not advocating piracy, but I am saying that artists can create viable business models which allow much more freedom and open access to their content, so more people can enjoy it. After all I think most filmmakers are more interested in communicating with their audience, rather than milking them dry of their cash.

What are the advantages of an open source model for filmmaking?
Making truly digital-age cinema opens up the possibility of more artistic diversity, experimentation and risk-taking. More of what people want without it being lowest common denominator.

Tapping into the strength and vitality of a community centred around this creative process.

Utilizing the expertise and local knowledge of members to come up with more exciting creative possibilities.

Do you think the film industry could be facing a 'linuxisation?'
Possibly, it takes a large enough group of committed individuals working in harmony to render the first working 'operating system' to show that an alternate entertainment eco-system can exist. *A Swarm of Angels* can do that with enough people subscribing.

www.aswarmofangels.com

Distribution 2.0

'… and remember, the next stream you see could be your own!'

For those motivated and driven by telling stories to the widest possible audience, the internet offers over a billion potential viewers through some 300 million broadband households.

Parallel to this, for commercial producers and distributors, there lies uncertainty. Traditional distributors face competition from two fronts: 'pirates' seeking to circumvent tech controls on the use of content; and the vast scores of so-called 'user-generated' content producers who now compete, if not yet for Oscar awards, for 'eyeballs', making up some half of video viewed online. According to a report by Screen Digest, 47% of video watched in the US on the internet in 2006 was 'user-generated', a level forecast to rise to 55% by 2010 — with some suggesting the figure to already be 60%.

As with the early days of cinema, the most popular of these films have been novelty: dance displays, animals performing tricks, titillation, disaster and buffoonery. But as the quality of the top bloggers now rival newspapers for

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New thinking

The Long Tail

'Our culture and economy is increasingly shifting away from a focus on a relatively small number of 'hits' (mainstream products and markets) at the head of the demand curve and toward a huge number of niches in the tail. As the costs of production and distribution fall, especially online, there is now less need to lump products and consumers into one-size-fits-all containers.'
Chris Anderson, longtail.com

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Wired Magazine editor Chris Anderson's landmark book *The Long Tail* looked at how the scale of the web and the ease of mass digital distribution creates a significant market for smaller and niche titles - be it books, music, film or special interests. Where shops have traditionally only been able to sell as much stuff as they can fit on their shelves, the web allows retailers to offer near unlimited catalogues. Indications seem to suggest that the effect of this is that far more books, films and media are sold in the 'long tail'; the part of the sales chart that tails off after it peaks on the bestsellers.

For instance, Amazon each day sells more things that didn't sell at all the day before than things that did.

On web music services such as iTunes with a library of millions, it transpires that almost every track has been purchased at least once. To the independent filmmaker, traditionally left to fight for shelf and cinema space against better resourced and more crowd-friendly blockbusters, the long tail offers hope.

While an obscure film may attract a paying audience of 100 in one city, scaled up through the web to people with similar tastes around the world, there is potentially a substantial audience. Instead of creating something generically mainstream, where there is huge competition for attention, focus on 'limited appeal' ideas and stories, traditionally seen as uncommercial, could potential be just as successful. Film libraries that have traditionally cherry-picked the most commercially viable titles for DVD release, potentially can earn as much for the collective value of their unreleased titles as their current hits.

'TV is not vulgar and prurient and dumb because the people who compose the audience are vulgar and dumb. Television is the way it is simply because people tend to be extremely similar in their vulgar and prurient and dumb interests and wildly different in their refined and aesthetic and noble interests.'
David Foster Williams, A Supposedly Fun Thing I'll Never Do Again

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investigative reporting and comment, so too 'user generated' video is likely to evolve. As with other industries the film distribution industry will need to change to embrace rather than battle these new creative voices. The nature of that change, however is far from certain, and for a sector famous for its control-freak nature, it's a future driven by consumers and web-surfers, not the other way around.

Change for the music industry came fast, with IBM suggesting the industry as a whole lost $90 - $160bn in its transition to digital. Some, such as Wired Magazine editor Chris Anderson, now argue that the music industry cannot realistically build a business model around selling tracks, it needs to be around live performance, special editions and merchandise. Others suggest the key factor is trusting users (see below). The approach taken by eBay was dismissed when it first appeared as a decentralised community driven marketplace, yet it now makes more money than its traditionally modeled cousin, Amazon.

'In the traditional world, content produced by professionals and distributed through proprietary platforms still dominates. But in the new world, content is often user-created and accessed through open platforms. These polarised tendencies mark the clear and present conflict between incumbents and the new entrants.'
Steven Abraham, global industry leader, IBM media and entertainment

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Piracy

2006 saw two forms of pirates triumph. One, played by Johnny Depp in *Pirates of the Caribean 2*, became the third film to pass $1bn at the global box office. The other, the BitTorrent tracking site The Pirate Bay withstood attacks from the Motion Picture Association of America and Swedish authorities. With every new legal attempt to shut the site – which links to hosts of copyright infringing Bittorrent files, but does not host the files themselves - the site fought back with greater resolve, still standing in early 2007. The site argues, and the industry tends to agree, that if shut down it would soon be replaced by another.

'We understand now that piracy is a business model… It exists to serve a need in the market for consumers who want TV content on demand. Pirates compete the same way we do - through quality, price and availability. We don't like the model but we realise it's competitive enough to make it a major competitor going forward.'
Clare Sweeney, Co-Chair, Disney

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At the heart of the piracy debate facing the film studios is that, while online distribution offers vast benefits to consumers and distributors, in terms of breadth of content available and reduced costs, the ease of making perfect digital copies has forced the inclusion of Digital Rights Management protection systems. However, DRM systems on legitimately purchased digital content currently allow the consumer to do less with the file than with a physical item, simultaneously frustrating consumers and arguably limiting uptake.

For example, a purchased DVD can be lent to a friend to watch in their own time (or even just taken over to their house to watch with them), or a track from a CD recorded to a mixtape or birthday compilation. Downloaded films or music, however, often don't share these same rights, or if they do require both parties to install special software, which has been show to cause security issues for the end user. At the very least, the strategy slows uptake, at worst it pushes the user to piracy where, for example, unable to play their legally purchased DVD on their computer – or to play the iTunes purchased track on their non-Apple MP3 player, they download a version 'illegally'.

In addition, many DRM systems require users to sign an off-putting (tho rarely read) digital End User License Agreement (EULA), which in the case of Amazon's UnBox download service – appears to ask the user to surrender their rights

to privacy, integrity of personal data, and control over their computer. In the infamous case of Sony BMG's rootkit, which made computers vulnerable to spyware and hacking, the EULA on the 8 million later recalled CDs bound its purchasers to destroy their music if they left the country or had a house-fire, and to promise not to listen to their tunes while at work. As seen in the disputes between European countries and Apple over the FairPlay DRM licensing used on iTunes, and Apple boss & Disney's largest shareholder Steve Jobs' announcement that he would like to strip all DRM out of iTunes sales, this is an ongoing issue, and arguably something holding back the development of legal services, and worse, fuelling the uptake of illegal ones. The second most popular music service after iTunes has already done that – offering all its tracks for download without any form of copy protection. Indeed just before this book went to print one of the big four record labels, EMI, announced a partnership with Apple to sell DRM-free versions of their entire catalogue, ahead of similar deals with other labels.

At its most extreme DRM limitations have driven consumers to break the system, notably coder 'Muslix64' who was the first to break the HD-DVD encryption standard because a HD-DVD he had bought would not play on his computer monitor as it did not have the compliant connector demanded by the movie industry. 'Not being able to play a movie that I have paid for, because some executive in Hollywood decided I cannot, made me mad' said the hacker.

The rapid rate of technological change on the Internet has put the film industry in the rare and uncomfortable position of catch-up. The introduction of DVDs was carefully, slowly and – with the exception of the region coding which forced those who bought DVDs while on holiday to get their player illegally 'de-chipped' to watch them - successfully managed. On the other hand, online video has been fueled by consumer demand limited only by the ever expanding reach of technical capability. However, the majors' reluctance to put substantial amounts of content online in user-friendly formats provides a window of opportunity for independents to meet a huge and rapidly increasing hunger for video on the web where – for once – the bulk of the competition is produced on no budget.

Options for making money online

For filmmakers the web is still largely unproven for making money. The most common area is currently advertising-supported content, with the majority of video streamed online being offered for free and surrounded by ads. Download-to-rent or to-own aims to offer an experience somewhere between video-on-demand and DVD, sometimes allowing the end user to burn a disc. Many download services involve a special player which the end user needs to install. Subscription services have yet to make a substantial impact, but potentially allow users' fees to be distributed proportionally to producers in relation to what has been watched.

Other options include the 'busker's hat' approach used by some blogs – ie 'if you liked this film please make a donation so we can make more' for filmmakers with a strong rapport with their viewers. Micropayments within an environment where every view deducts a few pennies from a user's account have long been discussed.

For an updated list of paid-for video services, see the list from Cinematech's Scott Kirsner, author of *The Future of Web Video,* which this is based on: www.scottkirsner.com/webvid/gettingpaid.htm.

'We take the view that we have to trust consumers--the fact that some will disappoint us and continue to steal the music is inevitable... we have always argued that the best way to combat illegal traffic is to make legal content available at decent value and convenient.'
Eric Nicoli, Chair of EMI on plans to release the EMI catalogue without DRM

New thinking
Creative Commons

'If the Internet teaches us anything, it is that great value comes from leaving core resources in a commons, where they're free for people to build upon as they see fit.'
Lawrence Lessig, founder, Creative Commons

While copyright aims to provide a creative with the protection to limit distribution to those who've legally acquired it, both those at entry level and seeking the widest possible audience may not want to do anything which limits the potential audience for the work. Furthermore, as novelist Jonathan Lethem illustrates very clearly in his essay *The Ecstacy of Influence* (www.harpers.org/TheEcstasyOfInfluence.html), the reuse of creative goods is a fundamental part of culture – from Shakespeare's stories, the bulk of Disney's classic films, through to Hip-Hop sampling and blog and mashup culture. At the same time, however, some form of licence may be useful to prevent, say, someone else changing it and claiming it's their work, or selling copies of something intended to be free.

Creative Commons (www.creativecommons.org) licences aim to provide a 'wired' 21st century copyright framework for the multitude of uses which fall outside the standard restrictions of IP law. It claims to be consumer friendly in that it encourages redistribution, and for those who cannot afford an IP lawyer but want some kind of copyright protection, creators can apply a custom built licence to their work, specifying aspects such as commercial use and the creation of derivative works. Some producers use Creative Commons licenses to get widespread distribution and awareness, increasing the chance of sufficient recognition to get a sale. 170 million creative items were available under a CC license by the end of 2006. Some notable uses include:

Magnatunes (www.magnatune.com). An entire record label built around Creative Commons, which seeks to embrace peer-to-peer as a viral distribution method. Users can download and share music at a low quality for free and, using an honour system, pay for a higher quality version of the album (physical or digital) for a price the end user decides. Despite setting a minimum fee of $5, the average payment is $8. The label is also film friendly: filmmakers can

download tracks to use in their films for sales and festival screening purposes for free and in the event of a sale or commercial release, a full licence can be purchased.

Archive.org. As well as hosting the only historic snapshot of the web, Brewster Kahle's service also offers tens of thousands of hours of CC licensed video for use including old adverts, propaganda films, news reels and stock footage.

Flickr. At publication some 32m photos were available on Flickr.com with some form of Creative Commons licence.

Creative Archive (creativearchive.bbc.co.uk) Before his departure BBC Director General Greg Dyke promised to make all of the BBC content library freely available online. While this is a long way from materialising, the Creative Archive project - in partnership with Channel 4, ITN and the Open University - offered limited amounts of archive material under a psuedo-Creative Commons licence allowing filmmakers to use the content for most non-commercial uses in the UK.

Cory Doctorow (www.craphound.com) The science fiction writer and self-declared 'copy fighter' has released CC versions of all of his books available to download for free alongside the printed published versions. His publisher claims that in spite of free versions being available, commercial sales were double forecasts. The licences have enabled people to legally translate his works into their own language, create audio books and even graphic art based on them, which otherwise would have been unlikely to have happened for a niche sci-fi novelist. In commercially licensing content that has previously appeared under a Creative Commons non-commercial license, Doctorow's agent adds a clause as follows:

'The exclusive rights granted to Licensee hereunder are subject to a pre-existing Creative Commons licence which grants members of the public the irrevocable and nonexclusive right to create their own adaptations of the Licensed Property. Such Creative Commons-licensed works may not be sold or distributed for profit. Licensee acknowledges that under the terms of this Creative Commons licence, members of the public may create comic book [or whatever format] version of the Licensed Property for non-commercial distribution. Licensor agrees not to license the rights which are granted to Licenee hereunder to any competitor of Licensee or to any commercial enterprise intending to create adaptations of the Works for commercial distribution.'

Download to rent or own

Downloads are playable forever, or a short period of time, often – as in the case of Amazon's UnBox and Apple's iTunes – a special player, normally DRM restricted (see piracy above). Questions remain over what happens if a user upgrades, damages or changes their machine, or if they want to watch the downloaded content through other video players. The current situation is analogous to buying a Columbia TriStar DVD that would only play on a Sony TV.

Apple's iTunes store claimed 40 million TV episodes and 1.3m feature films downloaded by January 2007, while other providers have yet to provide details but are believed to be much less. iTunes has also limited access to major studios and distributors, with some exceptions such as shorts screened at Sundance 2007. Pricing is typically around $1.99 for short form content and $9.99 to $14.99 for a feature. Rentals on UnBox cost $3.99. Some of the major services include:

CustomFlix - www.customflix.com

Part of Amazon, CustomFlix allows producers to get their film listed in Amazon's UnBox download to own/rent programme. Download-to-own videos must be at least 20 minutes long; rental videos must be at least 70 minutes. Producers can set the price with 50% of revenues going to Amazon.

Cruxy - www.cruxy.com

One of the most affordable options for producers, Cruxy takes 3 percent of the retail price, plus ten cents, and passes on PayPal fees (5 cents plus 5%) which should bring costs to a little over 10% depending on price.

Panjea - www.panjea.com

Offers a generous 80% of revenues on paid downloads, and 50-85% for ad supported films, with a $25 limit for payments to start.

Brightcove - studio.brightcove.com

Producers can offer content of any length either for free, with adverts inserted (30% goes to BrightCove) or priced above 99 cent (with 50% going to BrightCove). The site suits library owners as it does not acts as a destination, instead enabling producers to embed and promote films in their own site. By February 2007, the service claimed 3,000 commercial producers using the service.

GreenCine Video-on-Demand - www.greencine.com

The site selects films to promote on its video-on-demand service, reportedly offering a 50-50 revenue split. 12,000 on-demand titles are offered for rent with far less for the download-to-own service.

EZTakes - www.eztakes.com

Offering non-exclusive distribution for downloads allowing DVD burning, EZ takes 30-35% for delivering full-length features and documentaries, including the Troma Entertainment library.

DivX Stage6 - stage6.divx.com

For Windows users only, and costing a 10% transaction fee plus a bandwidth charge – around $3.30 for a gigabyte. Videos must be in DivX format which is a full screen video compression format.

Google Video - video.google.com

For anyone with more than 1,000 hours of video content the company allows people to offer paid downloads.

'Obscurity is a far greater threat to artists and authors than piracy'
Tim O'Reilly, O'Reilly Media

Advertising revenue share

YouTube announced in early 2007 that it planned to share revenues with users, although no details were available at publication. Many sites offer 50% - sometimes up to 85% - of advertising revenues, with Blip.tv also offering to negotiate sponsorship deals for popular content. Sponsor funded films have also had some popularity, such as through BMW's *Hire Film* series of web virals (bmwfilms.com), with a huge increase in sponsor backed competitions on the popular video sharing websites. These include the Shooting People RudeBox Shorts competition with a £15,000 prize to make a film based on a track from Robbie Williams' last album, and the UK MySpace MyMovies Mashup, which offered a £1m feature film budget and distribution deal to the winning filmmaker.

Blip – www.blip.tv

Splits advertising revenue 50-50 with the producer quarterly for streamed video. The site also claims to negotiate sponsorship deals for its most popular content, and allows the producer to chose the advertising to appear alongside its content. Embedded video in other sites do not have any Blip.tv branding, which is attractive to producers not wanting to advertise another company in the video on their site.

Revver - www.revver.com

50% of advertising revenues from a commercial played at the end of any short film are returned to the filmmaker. A viral video of exploding bottles of soft drink on the site by Fritz Grobe and Stephen Voltz earned the makers well over $25,000. Revver values clicks at between 75 cents to $1 per view (ads are at the end of the video, so the entire video has to be watched), with potential earnings for a 1,000 views of $22.50 - $40, with a click through of between 3 and 4 percent. Affiliate sites, which embed the video, get 20% of ad revenues.

Metacafe - www.metacafe.com

Every 1,000 views earns the filmmaker $5 with payment starting after views hits 20,000 (if the rating averages over 3/5). A video that is seen two million times would earn $10,000. At publication the top earner on the Isreali site, Reel Stunts, had made over $26,000 for home videos of martial arts displays, with others earning five figures including massage tutorials, how-tos and general novelties.

Babelgum.com

Headquartered in Ireland the site offered at launch $5 per 1000 views, with payment from 40,000 views, and a focus on 'professional content'.

Lulu - www.lulu.tv

Pools advertising revenues each month and distributes to all content creators proportional to the popularity of their video, after a 20% deduction.

Rights purchase

A number of websites operate closer to conventional broadcasters, commissioning and acquiring content, including Atom Entertainment (www.atomfilms.com), Addicting Clips (www.addictingclips.com), Expert Village (www.expertvillage.com), Break.com and early pioneer **Current TV** (www.current.tv). Unique among other online offerings, films uploaded to the Al Gore–backed website can be selected to appear on an accompanying Current TV cable channel, whereupon a special fee is negotiated with the creator. Current also sometimes commissions content from site producers, and pays up to $1,000 for user-generated adverts.

'Realworld' distribution

As well as distributing films, the web has an increasing relationship with cinema's home, the big screen. Music is offered initially for free, with its price increasing depending on the popularity of a song. Users who recommend a song or artist in turn receive a small share of money earned from music sales, both encouraging the user to listen to new work, rewarding 'early adopters' with free tracks, while an ever escalating price encourages further sales reflecting the 'value' of popular work.

Sliding pricing
While not film-based, music site **AmieStreet.com** has an original and promising model. Music is offered initially for free, with its price increasing depending on the popularity of a song. Users who recommend a song or artist in turn receive a small share of money earned from music sales, both encouraging the user to listen to new work, rewarding 'early adopters' with free tracks, while an ever escalating price encourages further sales reflecting the 'value' of popular work.

As well as distributing films, the web has an increasing relationship with cinema's home, the big screen. Asides from marketing, where the web makes up less than 5% of distributor's budgets, sites such as Brave New Theaters provide a realworld version of online video whereby filmmakers can connect to audiences without a distributor, while digital looks set to shake things up even further.

Digital cinema – the Digital Screen Network
Long touted as the distribution solution for independents, digital cinema removes almost all print costs and allows an exhibitor to take risks with content by changing programmes rapidly in response to popularity. Uptake of digital projectors by cinemas has been slowed in part by debate between exhibitors and distributors as to who most benefits from the technology and therefore should cover the installation costs. In addition digital projectors are estimated to have a 10-15 year shelf life, against 40+ years for film projectors, and the cost of upgrading in some markets makes a full digital transition unlikely for some time.

The UK has used this impasse to try and become a global pioneer through the 240-screen Film Council backed Digital Screen Network. The £12m scheme, operated by venture capital firm Arts Alliance, funds the installation of digital projectors in return for exhibitors committing to showing a certain proportion of 'specialised films' which can include work from local and community organisations. The UKFC Distribution and Exhibition department will consider any film for inclusion on its specialised film list, whether from producers or distributors, although it is up to the exhibitor to then book the film. Specialised films are defined as 'films that do not sit easily within a mainstream and highly commercial genre' (a full definition at www.ukfilmcouncil.org.uk/cinemagoing/distributionandexhibition/dsn/specialisedfilms/definition/)

For rights holders, digital exhibition offers a flexibility that traditional film-dependent distribution can't. Producers or cinemas could invite people to commit to buying tickets for niche, undistributed or little-known films, and when enough people in the area commit to make a screening cost effective it can be organised at minimal risk (subject to scheduling). This could fit with the trend whereby films build an audience through an online presence ahead of a cinema release, such as *Four Eyed Monsters* (see case study chapter 2), where people vote for the film to screen in their neighborhood, and then they are screened in areas with enough votes. More info: www.ukdsn.org | en.wikipedia.org/wiki/Digital_cinema

Brave New Theaters (bravenewtheaters.com)
Bypassing conventional theatrical distribution altogether, Brave New Theaters links filmmakers directly with related interest groups, providing the tools to organise and advertise screenings. The site, which largely covers documentary and political films, provides a means for filmmakers to advertise their films to potential hosts, sell them a screening copy (usually a DVD), publicise screenings and reserve tickets. At publication over 9000 screenings had been run through the network (see interview with Jim Gilliam, who created the network, above).

> **'The big screen is cinema's natural habitat. There are convenient "zoos" like television, video and the Internet, but you can never emulate the experience of seeing a film on the big screen.'**
> **Omid Nooshin, director, Panic**