Social Nature of Innovation in a Creative Industry

Canadian independent television production firms in the children’s entertainment segment

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agenda

• Canadian Independent Television Production Firms – the Childrens’/Youth programming segment
• Conceptualizing innovation – the Sawhney-Wolcott-Arroniz model
• Illustrations of some dimensions of innovation in Canadian childrens’ programming
• Social nature of innovation
  – knowledge flows
• conclusions
22 television genres and formats

- Live-action - children's (LA-CH)
- Animation - children's series (A-CH)
- Animation/live-action children's series (A/L-CH)
- Dramatic TV series (TV-S)
- Variety series (TV-V)
- Magazine/Lifestyle series (TV-ML)
- Comedy series (TV-C)
- Animation - adult series (TV-A)
- Reality series (TV-R)
- TV special - (SP)
- Documentary one-off (DOC)
- Documentary series (DOC-S)
- Factual series (FAC-S)
- TV movie (MOW)
- Miniseries (MS)
- TV series pilot (TV-P)
- Theatrical - dramatic (T-DR)
- Theatrical - documentary (T-DOC)
- Theatrical - animated (T-A)
- Short (SH)
- Short - animated (SH-A)
- Large format (LF)
Producing television programming for children and youth

- Children/youth considered an especially attractive demographic
  - Constant greenfield audiences
  - Young audiences tolerate reruns
  - Animation travels across cultural borders
  - Older audiences increasingly like animation
  - three revenue streams: advertising, subscriptions, merchandising
  - Advertisers hope for brand socialization/lifetime customers
  - Young audiences love gadgetry
  - Wonderful place to test multiplatform business models
Producing television programming for children and youth

• The demographic can be especially lucrative
  – In 2003, the Cartoon Network made more money for Time Warner than CNN
• Kids’ programming is delivered primarily through specialty and pay channels (at least 100 worldwide)
• The children’s tv industry is very highly vertically integrated; dominated internationally by Disney, CBS/Viacom, and Time-Warner
• Canada has six specialty channels and one pay channel for kids: Teletoon and VRAK.TV (Astral); YTV, Treehouse, and Discovery Kids (Corus); BBC Kids (Alliance Atlantis); and the Family Channel (Astral).
Canadian ITPFs producing children’s programming

- Toronto
- Montreal
- Vancouver
- Ottawa
- Charlottetown
- Regina
- Calgary
- Edmonton
- Winnipeg
- Halifax
- St. John's

Yearly Data:
- 1998 (N=36)
- 1999 (N=40)
- 2000 (N=35)
- 2001 (N=34)
- 2002 (N=39)
- 2003 (N=39)
- 2004 (N=40)
- 2005 (N=32)
Children’s production

Exhibit 14: Total volume of children’s production

Exhibit 24: Total volume of Canadian animation production

Source: Estimates based on data from CAVCO
Some totals may not add due to rounding

CFTPA, 2007
12 dimensions of innovation

Cluster solution is based on twelve dichotomous variables:

1) production of programming for demographics other than children or youth;
2) production of animation (computer generated or stop motion);
3) production of live action programming;
4) production of feature films or movies for television;
5) distribution of a library of properties;
6) offers production or infrastructure services;
7) offers live entertainment services;
8) production of games;
9) production of music;
10) engagement in product merchandising;
11) engagement in publishing;
12) close affiliation with a broadcaster.

Offerings of Canadian IPTFs producing programming for children, 2005

Innovation in customer experience – case of
This is Daniel Cook and Deaf Planet

marblemedia
Platform and value capture innovation – case of The Doodlebops

- **Platforms**
  - TV
  - Web
  - DVD

- **Value capture**
  - CDs
  - Live performance
  - Merchandise (apparel, backpacks, toys, books, watches, party supplies)
Process innovation: ReBoot

Mainframe
Hypothesized knowledge flows in the Toronto independent TV production industry

- Audiences
- Advertisers
- Broadcasters
- Merchandising partners
- Funding agencies
- Independent TV production firms
- Educational institutions
- Capital equipment suppliers
- Freelance writers, editors, directors
- Animation/new media firms

Cultural imagination

Determined by cultural, not geographic, proximity
conclusions

• **Innovation**
  – The Sawhney-Wolcott-Arroniz model provides a useful framework with which to qualitatively characterize innovation in ITPFs
  – Next step is to move beyond qualitative analysis

• **Social Nature of Innovation**
  – Many qualitative insights are possible if we give ourselves latitude to interpret “knowledge flows” as patterns of interactions
  – It remains a challenge to formalize and interpret the observations
Thank you!

Questions?