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Speech by Michael Ebeid, CEO & Managing Director, SBS

****CHECK AGAINST DELIVERY****

***SBS in Today's Australia:
Deepening Engagement with Unique Content, Any Time Anywhere***

[EPISODES clip]

That scene was from 'Episodes', a comedy series by Hatrick Productions for the BBC and Showtime. If you haven't seen it, check it out, it's quite funny.

That character is an American TV Exec, and he makes a few points there: Looking at the big picture; making bold moves; and throwing away the 'when'... and I'll come back to some of those later.

However, it all points to something obvious – which is critical to keep front of mind when you work in media: our industry is constantly evolving, at a rapid pace. And we have to keep up with it – to 'change the paradigm', as he puts it – if we want to keep our audiences engaged, and remain competitive.

I'd like to talk to you today about the modern SBS in today's Australia, and how we've been deepening engagement across a range of digital platforms and techniques, opening up a wealth of content at our audience's fingertips.

Before I get into the presentation, can I say, it's great to be joining you all today on the land of the Gadigal people of the Eora nation – the traditional owners of this land. And I'd like to pay my respects to their elders past and present.

Evolution of SBS – purpose & content

This year **SBS celebrates 40 years** since its inception. And we have certainly evolved in that time, always working to ensure our services will meet the needs of audiences tomorrow. We've come a long way since those humble beginnings, from two ethnic radio stations – 2EA and 3EA– broadcasting pre-recorded messages in eight languages, for the launch of Medicare. And then evolving to connect migrants with their country of origin, and helping them participate in their new Australian community.



Today we do far more than that – we have upped our radio offering to 74 language programs, making us the world’s most multilingual broadcaster. We now broadcast across a range of platforms, and we are there for all Australians.

And given how much Australia has grown in **cultural complexity** since 1975, **SBS is more relevant** today and into the future than ever – playing a vital role in getting all Australians to understand each other better, which we believe contributes to social cohesion.

Just a month ago, the Australian Bureau of Statistics released figures showing the number of **Australians born overseas** has hit its highest point in *120 years* – a whopping 28 per cent of the population, or 6.6 million people. **SBS reflects that modern, diverse society** through our content – on TV, radio, online, and mobile – and we’re the only network that projects a true representation of our nation and explores what it means to be Australian today. And our audiences know that.

Our research tells us that audiences trust the SBS brand and they know what we stand for. They know us for our **thought-provoking content**, pushing boundaries and getting the nation talking. We offer the best coverage of international sports like **football and cycling**. We deliver **in-depth news** and current affairs with a unique focus on bringing multicultural perspectives to national and international issues, in a way no other broadcaster does. We cover the big issues and consider how they affect our shores, framing the debate in a global context.

At SBS we tell stories you simply won’t see anywhere else, building on that reputation through our **distinctive documentaries, films, and food** programming – which has a unique multicultural focus. We do “real food”, not “TV food”, as we go behind the dishes to their origins, exploring cultures through food and travel – so Food has become a really successful genre for us.

And of course we have a strong history of **Indigenous programming** at SBS, which has only gone from strength to strength with NITV as part of the SBS network, and now a free-to-air channel.

Everything we do at SBS is driven by **our purpose**: to inspire all Australians to explore, appreciate and celebrate diversity. Our **Charter** does not restrict us, but crystalises who we are. And this point of difference sets us apart from other media organisations – which is so important in a challenging market where we all face increased competition for audiences.

The need for content anytime, anywhere

Australia’s media landscape today looks very different compared to when I first started working in the sector. We have seen fragmentation and significant changes in viewing habits, particularly over the past decade. The rise of online and social has changed the way we operate, and the arrival of Subscription Video On Demand services like STAN and Netflix has the industry buzzing.



There have been mixed predictions about **how SVOD will affect the TV market**, but I believe there's room for both. Just because I'm watching House of Cards, that doesn't mean I won't be watching the Mardi Gras on SBS this Sunday, at 8.30pm! Or Eurovision, Tour de France, or a Socceros match.

I think that SVOD will take a little longer to take off in Australia, compared to the United States, where 80 per cent of people have cable and are used to paying for content. In Australia, on the other hand, less than 30 per cent of us have Foxtel – we're not as used to paying for content here. So I believe it will be a slower build here than in the US – which is at 30-35 per cent penetration after a few years.

With this in mind, we have already partnered with STAN to provide them with content from our World Movies channel. Deloitte predicts that SVOD will “complement, rather than crush, traditional TV operators”. I certainly agree with that, and not the reports out there predicting “TV is dead”.

One thing that has been really important for us at SBS is that: as **audiences move more freely between platforms** and devices, we have to move with them. So being available on as many platforms as possible has been a critical part of our strategy.

My vision for SBS is to become a **content gateway** – a trusted brand, where people can easily connect with us, on any number of platforms. A place where audiences know they can engage with a wealth of unique content that we have curated for them, commissioned or acquired, at a time and they can enjoy it on a device of their choosing.

SBS has in many ways '**thrown away the WHEN**', to quote from the 'Episodes' clip. We won't 'forget the schedule'; that is still very important. But we have really focused on product and development across platforms, allowing our audiences to become the programmers. Indeed we've doubled our investment in online and digital over the last 5 years, making it a major strategic priority, and that has been challenging to do given our limited resources.

SBS On Demand is available on **more platforms** than any other broadcaster in Australia – which has allowed us to increase our reach. And last year we experienced significant **growth in online traffic**. Our average monthly unique audience increased by over 30 per cent. This was well above the 6.7 per cent increase in the “Active Universe of internet users”, and it was one of the biggest growth figures amongst similar sites, in Nielsen's “Broadcast & Media” subcategory. Monthly video views also increased – from just under 4 million views two years ago, we're now hitting around 10 million a month.

According to the **A.C.M.A's latest Australian multi-screen report**, of the free to air networks offering catch-up and on demand services, we are delivering the second highest video views. An average 32 per cent of catch-up viewers use SBS On Demand per month, coming in after ABC's iView, which has been in the market the longest. Considering that



roughly 50 per cent of iView's traffic is for kids content, which of course SBS doesn't have, that makes our number even more impressive.

At the same time we've seen a 25 per cent increase year-on-year in both live audio streams on our **SBS Radio websites**, and our monthly podcasts. It used to be that if you were an Italian speaker and you missed your 8am radio program, that was it, you missed it. Now you can listen live or catch up online, on mobile, and via the SBS Radio app. We've seen huge growth for our language websites, with monthly unique browsers up almost 120 per cent on last year, driven by new and emerging language groups as well as special broadcast events.

Innovation is key

We are constantly testing different approaches to tailor our content across platforms and deliver it in ways to suit the audience. You have to be agile, to "**make bold moves**" and try new things, in particular, around how viewers engage with streaming and catch-up services.

I think video on demand and subscription services offer new opportunities in the market, particularly for producers and audiences. We have all this great content, which until now, nobody has had the air time to schedule. The model is changing and we all have to think outside the box – literally! – if we want to remain relevant.

When we re-launched SBS 2 to be focused on younger viewers, we introduced '**Back2Back**'. We knew our younger audiences don't necessarily want to wait eight weeks for "appointment viewing" on TV. So, in a first for Australian broadcasting, we allowed viewers to watch the *whole* series of selected new programs via SBS On Demand, as soon as the first episode had broadcast on the TV channel.

Another approach was **fast-tracking** popular series from the US, straight to SBS On Demand. With ***Orphan Black*** Season 2, the episodes aired in America on Saturday, and we then put them up online just 24 hours later on the Sunday – *before* broadcasting them on TV, two days later. Normally, the biggest use we see for On Demand is still catch up, with a spike in viewing the day after the show airs on TV. But with *Orphan Black*, it spiked as soon as each episode went up online. That makes sense for a 'cult viewing' audience. But at the same time, it didn't have a major impact on TV viewing numbers – and the chatter on social media over the weekend likely had a positive impact on that TV result. So overall, it was a great success, and our *Orphan Black* fans were extremely happy.

SBS's slate of **international drama** continues to expand, and it does very well for us On Demand. ***Fargo*** set a new record for the most streamed drama ever on SBS On Demand last year, with the 10 episodes serving 1.4m video views. As a benchmark, the series reached a total of 2.1 million viewers on TV. So flexible viewing options for drama programs like this go down very well. Similarly for ***Vikings*** – the weekend before Season 2 started, we put all of Season 1 up On Demand, and had great take-up. So '**series rewind**' or binge viewing is giving audiences what they want.



It's important to make the most of our existing audiences, or as we at SBS call them our 'passion communities', who come to us for a particular genre.

In March last year we launched the **Film Festival of 100 Clicks**, an initiative aimed at our movie-lovers, driving them online where they could access over 100 movies – on demand. This was a significant departure from the existing model, where films were offered for “catch-up-only” viewing, for just 14 days. This ‘virtual film festival’ attracted 824,000 video views for that month alone. It was a great opportunity for us to dip our toes in the water, testing our grander plans to launch an Advertising Video on Demand Service... which we did in October last year, launching **400 Free Movies** On Demand – available for up to 12 months.

This is the biggest (legal!) library of free online movies on offer in Australia, and the response has been fantastic. In December alone, the new movie collection had over 1.4 million video views, which was four times higher than the previous December, and well above our target.

We have also seen an even usage spread across platforms, with about 36 per cent of stream views on desktops, 30 per cent on mobile devices, and 23 per cent on Smart TVs, – with the other 10 % of views including Set Top Boxes and Game Consoles.

In January we increased the number of **movies to 500**, rotating and refreshing the titles each month, and we're aiming for 600. It's brilliant for Australian audiences to have such a great library of free online content at their fingertips.

To broaden it out, beyond our Movies genre, let me give you an example of how our overall On Demand offering is tracking, on third party platforms – On Fetch TV, SBS On Demand is performing better than Plus7 and TEN Play combined.

Know your audience

Of course, it's critical to **know your audience well**.

At SBS we invest a lot of time into researching and picking apart our audience profiles, across platforms and genres, to determine their behaviours and interests – allowing us to better tailor our content offering.

We all know it's challenging in the online market when it comes to **reporting numbers**. And the OzTam project to align online streams with TV ratings will be quite revealing. But for now, we **measure everything** we can, track progress of new initiatives, and improve on them to attract new audiences and deepen their engagement.

The next step in our journey is **personalisation**. Collecting and acting upon audience-generated data is valuable, particularly across our digital platforms. **Connected metadata** reveals new insights about the people engaging with us, with a 'single customer view'



basically allowing a 1 to 1 relationship with them in the digital realm. We know from our reach figures SBS connects with almost 80 per cent of adult Australians each month. So what could the future look like for them in the digital space? It would mean that for every single Australian who comes to SBS, whether via our website, or the SBS On Demand app, they would see a personalised screen, displaying content specific to their interests.

This personalisation will ultimately make the service more attractive to audiences, and help us **better engage with Australians**. So I think media organisations will only become more **data driven**, to stay ahead of the audience's needs.

Improved user experience

We've done a lot of **development work** across the network in the past few years to improve delivery of our digital services.

We moved to a new **content management system**, and SBS was the first major media organisation in Australia to launch a **fully responsive website** – built on a grid that scales content to suit the device you're using, from desktop, to tablet, to mobile. This marked a new digital era for us, sharpening our online output and setting the foundations for ongoing innovation.

In today's media environment, it's important to **think in cross-platform terms** from the outset, especially with commissioned content. As the 'Episodes' clip put it, "we're living in a world where your TV is becoming your computer is becoming your iPad is becoming your phone". Platform agnostic content extends the life of a program beyond the TV broadcast, broadening the appeal and extending its reach.

Multi-screen options are especially relevant for us when it comes to Live or event viewing such as **Eurovision** – one of the most interactive TV broadcasts in Australia. Every year we see extremely high usage on our companion website, particularly with our interactive voting – where Australians tell us who *they* think should have won Eurovision. And of course this year it is going to be even bigger! A few weeks ago we announced SBS has secured a place for Australia to *compete* at Eurovision, and we can join the official vote for the first time ever. We're really excited, and looking forward to announcing who will represent Australia at Eurovision, which will happen at a press conference this Thursday morning. This will only boost interest for Eurovision – which is already one of our highest rating programs at SBS after the World Cup.

The **2014 World Cup** was the biggest, most multi-platform World Cup offering ever, bringing Australians together with *ALL* 64 matches LIVE across TV, radio, online, mobile and tablet. Our TV coverage reached 11 million Australians, and we offered SBS Radio commentary in 15 languages – the most ever delivered by a broadcaster in World Cup history. There were over 13 million video streams viewed online, and the SBS World Cup app was downloaded more than 400,000 times. Our dedicated app broke the mould for sports broadcasters, with new functionality not seen in the market before, including multi-angle replays, allowing



audiences to choose which camera they viewed the game from. We also knew it was vital for us to be all over **social media**. And the global numbers proved that – with fans sending 672 million tweets with the “WorldCup” hashtag.

Compare that to 2010. We only live streamed 11 World Cup matches. And that was only web – not mobile. We had no dedicated mobile app, and a minimal presence on social media.

Technology and media has changed a lot in four years. SBS worked hard in the lead up to Brazil, to make sure it was the most accessible sporting event in Australian broadcasting history, and now audience expectations are higher.

I particularly liked **Gizmodo’s review**, which points to **modern viewing habits**. They said: “Whether I was watching matches replayed on TV in the office, from under the bedcovers at 5AM on my tablet, or on my phone on the train through a Wi-Fi hotspot, the video coverage was top-notch – no match-breaking glitches, no drop-outs, and adaptive streaming that actually *worked*.”

Of course we all know that it’s about the content, not the technology. But we’ve learned that a **positive user experience** – with high quality content, at the user’s convenience – will bring audiences with you across platforms, deepening their engagement with the unique SBS content they love.

Unique content – new ways of storytelling

Our content truly is **unique** at SBS, and of course **storytelling** is at the heart of what we do. We’re always looking for innovative ways to explore stories from Australia and around the world.

In this ambition, we’ve delivered a slate of **exclusive multimedia projects**, giving a deeper dive into issues of national importance. We have really come to own the interactive online documentary space, receiving many accolades for this world-class content. Some projects in the last two years include: ***The Block***, exploring a very unique place just up the road here in Redfern; ***Exit Syria***, a real-time immersive documentary set in the heart of one of the world’s harshest refugee camps; and ***The Other 9/11***, about Australia’s involvement in the violent coup that overthrew the Chilean government in 1973.

Our most recent interactive documentary was ***Cronulla Riots: the Day that Shocked the Nation***, which complemented the TV series *Once Upon a Time in Punchbowl*. *Cronulla* won three prestigious AIMIA awards, a Walkley for multimedia storytelling, and is a finalist at the South By South West Interactive Innovation Awards, to be announced in just a couple of weeks – so I’d like to share a bit of this project with you now.

[play Cronulla reel]

Cronulla is a great example of **shifts in media and production models**, as it was created as



online content – with a very different cost base than TV – but in December last year the linear doco was broadcast on television. The traditional lines of content creation are changing, and we are certainly embracing that at SBS.

I believe productions need to have an **'all platforms' view**. Everyone talks about multiplatform productions, but most organisations still commission a program for TV and just adding an online component, at the tail end. The model genuinely needs to change. And if that's going to happen, we need **new cost structures** – particularly for one-off documentary storytelling, which is important for SBS.

Conclusion

These are just a few examples of the many compelling stories SBS produces that **showcase the diversity around us**, exploring issues relevant to all Australians – and utilising technology to tell stories in innovative ways.

It goes to the heart of **SBS's unique position** in the Australian media landscape, and the important contribution we make in **promoting social cohesion** through helping all Australians understand each other better.

To Go Back Where We Came From... at SBS we are **still playing that important role** of 40 years ago – celebrating and exploring our diverse world, and contributing to our success as a migrant nation – and of course we are **here for all Australians**. We are dedicated to providing our unique content, any time anywhere, as we **continually evolve** to suit the Australia of today. We've really embraced the digital evolution and that's helped us engage with new audiences and in new ways, ensuring we're remaining relevant for the Australia of tomorrow.

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