Interview Jordan Levin

Carsey-Wolf Center at UC Santa Barbara

16-20 minutes

In May 2011, Jordan Levin, Founding Partner and CEO of Generate, sat down with MIP for an interview. In the excerpts below, Levin elaborates on the implications his company's multi-screen business model poses for creative talent, television networks, and the future of distribution. In addition, he discusses how his work with younger audiences and creators has influenced his understanding of the media marketplace.

Jordan Levin, former CEO of The WB Network, partnered with Pete Aronson, Dave Rath, and Kara Welker in 2005 to launch Generate, a modern entertainment studio with full-service development, production, talent, and research divisions. As part of The WB's founding executive team, Levin was key in establishing the network's youthful brand identity through hit shows *Dawson's Creek*, *Buffy the Vampire Slayer*, and *One Tree Hill*, among others. In January 2012, Alloy Digital, an online video content creator, acquired Generate to create "the first of its kind, multi-platform, next generation media company." Our interview with Levin took place prior to his company's acquisition.

Multi-Screen Business Model

Monday, May 23, 2011

MIP: You said you setup your company with a horizontal view of the business. Can you explain?

LEVIN: It simply means that we started the company over six years ago with the belief that consumers consume “across screen” and they have very little loyalty towards any one screen. So if content lives across screen, you need to set yourself up first and foremost as a content company that meets the cross-screen needs and desires of consumers, advertisers, and content creators.

We also recognized that each screen offers its own varying degrees of interactivity, and that the storytelling experience ideally should adapt to some unique components of each of those screens. At the same time, we looked back at a lot of different structures within the media business and felt like there were still certain benefits to vertical integration. So we set up our company with some of those benefits.

Our company has three strong divisions, like three legs of a stool. There is a studio division that develops and produces content. All the production occurs in-house. I think the term “studio” gets used pretty loosely these days; we actually make content. And again, we make it across multiple screens. The talent management piece involves about nine managers and over 150 clients. The clients generally are “multi-hyphenates” in that they wear more than one hat. They are writer-producers, writer-directors, etc. There has been an emphasis lately on managing talent that we call "lifestyle personalities," essentially people who can build a larger brand around themselves, such as design experts, chefs, fitness personalities, reality stars, and things of that sort. We use digital pretty actively in that realm to both discover and develop talent that has real value, talent that has an authentic and credible relationship with an audience. We then work hard to develop their suite of social media tools so they can grow what is essentially a micro channel around themselves and communicate with their followers.

Ultimately we believe that there is going to be value in transacting that relationship in appropriate ways with brands. So we have a branded content division that has five people dedicated to it. We have a head of sales in New York who interfaces with consumer brands and the various constituencies that represent them in the marketing world, whether it's creative agencies, media buying agencies, PR agencies, or the internal marketing agencies with their own direct relationships. We execute on branded content initiatives for them, and those branded content initiatives can come through any of those channels as well as any distributors who work with those brands. Our general marketplace position is that we don't go to the brands with properties in hand looking for financing and funding in order to leverage greater ownership in various other mediums. Instead, we work to establish a relationship with those brands. We help them achieve their marketing objectives through longer form content initiatives, so we really don't end up stepping on anyone's toes, and we can work with all the various partners. At some point they need someone who can execute; ideally, our value proposition is that we can be an end-to-end solution, operating soup to nuts – everything from coming up with ideas, developing someone else's ideas, executing on an idea, plus anything in between. We are a one-stop shop. Usually these big ideas live across multiple platforms – TV, digital, live events, in-store retail, publishing – and we can project manage across all of those various distribution platforms.

This is a model didn't exist in the past. I mean, there were choices. You could go to three or four networks with a pitch, but now you can sit down with a creator and say, "Look, there are a lot of choices out there."

The choices generally speak to three distinct levers. One: How much money do you want to make? Two: Do you want that money up front or do you want to bet on yourself and see more money down the road? And three: How much creative control do you want and how much speed to market do you want? Those three buckets define a strategy for each client. If you want more money up front and want to get to market more quickly, then you are going to pursue the more traditional path. If creative control is more important to you and you are not as worried about getting out to market in a big way quickly, you can try to incubate your content on some of the smaller platforms. It's really the same methodology that talent and talent managers are going to increasingly have to go through. If you are a comic, it's no longer about how do you get called over to Johnny Carson's couch; you can get out there in so many other ways now. It's just a question of what comes first, what path you want to take.

What are some of the challenges you face in today's media marketplace

We talk a lot about the traditional barriers of entry that used to exist for film studios around production, sales, marketing, and distribution. And when you look historically at the studios, obviously the infrastructure that surrounds us in L.A. is a testament to how high the barriers of production have been: You needed a back lot and sound stages. For distribution, you needed a sales team around the U.S. and the world to carry prints of the film to each theater and then to go get the box office receipts and make sure you weren't getting ripped off.

The sales group to varying degrees in both network TV and film had a very hands-on capacity but marketing was always the lowest barrier of sorts because in a world of three television networks, you didn't have to do that much advertising. Generally people's behavior was to either look in *TV Guide* or switch between channels, to channel 4 or 5 or 7 or whatever. Now the cost of production and distribution has fallen. A phone can provide that function. Sales is still a relatively high barrier when it comes to a brand relationship because it still is a one-to-one relationship. As much as Google has a large piece of the sales marketplace, it's an automated marketplace. It's essentially a commodities exchange based on keywords. As they have tried to migrate into the more traditional media business, they have had a very difficult time because they can't understand how to position the value for traditional brand media buyers, and they don't have those personal relationships. To me, marketing becomes one of the highest barriers of entry: how do you get noticed?

I think social media has been such a game-changer because of that one piece. You can no longer speak from up high and shout down to people that this comedy is the newest hit or this movie is fantastic, thereby buying yourself an opening weekend. Now people can go to different sources to determine whether or not to see something. Twitter and all the various immediate social tools and applications necessitates that, as a marketer, your traditional results with your traditional marketing dollar are becoming less and less effective. You have to somehow be able to manage a community of influencers to a greater and greater degree and accept the fact that those influencers are going to have word of mouth that becomes accelerated and amplified very quickly.

Do you see talent reacting differently to the online space or do you see them sharing your vision of its importance?

We generally sign people who embrace the idea that online offers them a chance to distribute what they do and sort of be who they are relatively unfiltered, as compared to working with a third party like a television network or studio. We strongly encourage them to take advantage of social media to communicate, interact with, and grow a consumer base. I don't know if everyone believes that their micro channel is a channel that ultimately will be able to be leveraged through brand relationships – the lifestyle personalities get that to a greater degree than the comics do – but we try and stress to them that authenticity and credibility is really important. They are all pretty active but a lot of them are very young so they would be anyhow. That's their world.

And the networks?

We are starting to see that networks are creating more and more ancillary content and a lot of times it's underwritten by a sponsor. They don't usually turn to a traditional production company to do that but they do turn to a creative team to do that. So we are starting to look at that as a growing production business. Sometimes the work we do with creative agencies is a little bit more than production services work. We may be involved in casting or identifying the director, but the creative vision as a whole may be more formed than when we work with media buying agencies, for example.

Are you optimistic about the future of distribution?

It's obviously a transformative time. I think it's more transformative than the shift from radio to TV because while that was a different medium, the models pretty much stayed the same. I think social media upends that model, and the fact that consumers have much greater control, the fact that there is relatively unlimited shelf space, the cost basis gets lowered. But I still think scale is going to matter. As long as scale matters, I think you are going to find there is going to be a fixed number of distribution companies, if you will, that have an undue amount of influence and drive the whole ecosystem.

Generation Gaps

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LEVIN: At the WB, I saw both the younger generation of consumers as well as a younger generation of creators embrace the idea of wanting to have a tighter and more immediate dialogue loop between themselves and their audience; they used chat functions early on to do that. People like J. J. Abrams, Joss Whedon, Greg Berlanti, and Ryan Murphy would get online and embrace the idea of what the audience was thinking and saying. They would talk to them directly and if they did something the audience didn't like, they would explain why and vice versa. That's much more immediate and specific feedback than trying to read the tea leaves of ratings. Ratings were just guideposts to whether you were doing something right or wrong without knowing exactly why.

It's my feeling that every generation has a different media imprinting—I'm not exactly sure what you call it, but your media sensibility, or the rules of media that govern your behavior, gets imprinted differently.

I am in this weird bridge generation in that I grew up in a world of the big three networks and later the emergence of cable television. I spent a lot of time in college concentrating on this whole idea that the TV experience was starting to detach itself from the network experience, and that cable was creating this other experience and that it was imprinting a younger generation differently…to expect sports 24 hours a day, for example, or especially in the kids' space where we also see programming 24 hours a day. That audience has grown up expecting that a type of programming they like will always be available to them. When I was at The WB, I started to see what was happening online, especially around the kids' channels where you could experience those characters and those worlds in interactive ways that weren't linear through casual gaming or whatever else was being offered on screen.

In fact, I had children who were growing up through that transition. My kids are now 15, 12, and 8, but at the time I would say the big light-bulb moment for me regarding the DVR was with my daughter when I realized she had no perception of live television. If something wasn't available to her and it wasn't on TiVo, she just couldn't understand that. Why is it not there? And then for my son it was about the next generation of video games like Nintendo 64 and the early Xbox. He's a big sports kid, and if a game wasn't on, he would play with his favorite players on Madden or MLB2K or whatever it was. I realized that for him it was as much about being able to interact with the players with video games as it was to watch them on TV. And then with my youngest daughter, it was at a point in time when we switched to higher speeds online so we were no longer dealing with dial up. If her older siblings were watching TV and she wanted to watch *Dora the Explorer,* she was just as satisfied going to Nick.com and playing with Dora as she was watching Dora on TV. She considered it all Dora time.

I think there is a generation gap between the industry and its audiences. For example, I think there is a huge disconnect between the powers that be at the studios, networks, media buying companies, and CMO (Chief Marketing Officer) levels and their kids. I went to the *Adult Swim* upfront. Jay-Z was performing. He did a full set. It was at the Roseland Ballroom.

Adult Swim did a 10-minute clip of their shows. No one got up to speak or try to sell *Adult Swim* because no one is buying a specific show in *Adult Swim*. They are buying the brand *Adult Swim* so who needs to get up there and say, “Buy this show”? All they had to do is have this quirky subversive voice and express it in the form of graphic title captions that it was their upfront presentation and throw a giant party. Instead of doing their upfront in the morning they did it at night and threw a big frat party, basically. There wasn’t a buyer there, with exception of a few senior people, who was over the age of 30. And I’m sure they’ll do great. I remember when we were at The WB I used to ask, “Why don’t we do our upfront presentation at night? That’s when our buyers are awake.” We used to think about things like that. The WB was a unique place because Bob Daly, Jamie Kellner, Bruce Rosenblum, and Barry Meyer empowered a lot of kids like me to do stuff. We didn’t really know any better.

A common suggestion in our interviews is that once kids start getting paychecks they will buy a flat screen and will change their viewing behaviors.

And who says they are going to buy a big video screen? What is television anymore? That big video screen is going to have the same functionality as a tablet, so when they go to watch something on the video screen it’s not as though the interaction with that screen is going to be different from a functionality standpoint, or that the content that is available on that screen is going to be different than the content available on any other screen. It’s just a bigger experience. Absolutely they are going to go to that screen for some bigger experiences but that doesn't mean that the screen is fundamentally a different screen. It's just got a better sound and bigger picture.

When do you think more of your colleagues will agree with you?

I think you are going to have a generation that is going to retire, and I think the recession extended their life span in this business, and I think it especially extended the life span on Madison Avenue. I think that in Hollywood to some degree there is greater independence because of personal wealth, and people stay in these jobs for reasons that have to do with something more than just money. But on Madison Avenue, most of those people in the senior media buying positions, I believe, were looking to retire because you would hear them say a lot, "You know what? It's all too confusing. It's for the next people; it's for you guys to figure out. You can't teach an old dog new tricks." I have heard that in our business and I always find it somewhat shocking. Because everything is so predicated on younger audiences now, you are starting to see this justification for not being able to age-down networks and instead they are just going to go after the baby boomers. There is an expression that they are going to "ride the dinosaur down." A lot of people are riding the dinosaur down. [Laughter]

Read the complete transcript of our conversation with Jordan Levin in *Distribution Revolution: Conversations about the Digital Future of Film and Television*.