

TRANSCRIPT – NOW & NEXT PODCAST SEASON 2 EPISODE 6

- Leora Kornfeld: 00:09 Welcome to Now & Next, a podcast that looks at the overlaps in the worlds of media and technology. I'm Leora Kornfeld. On this episode we're going to the business end of what it means to be an international media conglomerate competing not only against other media companies but also against YouTube and Instagram and TikTok and Snapchat and Twitch because capturing attention is the name of the game. And increasingly, that attention is getting captured with short form content.
- Leora Kornfeld: 00:43 My guest today is Brendan Yam. He's the VP of Viacom's recently launched Digital Studios International, or VDSI. Their focus is short form digital content for something like 180 different markets around the world. And in case you need a refresher, Comedy Central Roasts, Beavis & Butthead, MTV Cribs, those are just a few of the things that have come out of Viacom. It's a media company that really revolutionized youth oriented and just all around cool content that you couldn't see anywhere else. And then came the internet.
- Leora Kornfeld: 01:19 Every legacy media company has had to grapple with competition from the anything goes world of digital but few as much as Viacom. So they had their work cut out for them. How were they going to adapt what they'd been so good at with linear TV for a global and digital audience.
- Leora Kornfeld: 01:53 And as you'll hear, Viacom has been incredibly successful with this strategy. Several billion minutes of digital video viewed monthly, millions of new subscribers picked up in just a few months and rapid testing and adaptation of shows for markets all over the world.
- Leora Kornfeld: 02:11 Viacom's Brendan Yam was in Toronto recently for Buffer Festival, which is a Canadian industry event for creators and digital and social platform companies. So hang on just a second that conversation is coming up.
- Leora Kornfeld: 02:24 So you're about a year, year and a half into this new job and the focus is on short form digital video and for global audiences in particular. What were the discussions that you were having internally that made you decide, this is where the opportunity is?
- Brendan Yam : 02:39 The discussions that led us to set up Viacom Digital Studios International was that as the cable TV system matures and that whole ecosystem matures, media itself is fragmenting massively. And so our approach is to reach every audience everywhere, and if you're going to do that, you really to go to where the audiences are. So we looked at how our brands were

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operating on these platforms and we felt that by bringing it together and giving it some leadership, we could do a lot more.

- Brendan Yam : 03:11 We moved from I think having a number of ad hoc programs and very much in each of the brands to saying, "Okay, we're going to do this in a coordinated way and we're going to find ways to get scale across the brands, create some leadership, some expertise, bring together those resources like minded and treat it like the professional and premium experience that customers and audiences are starting to expect today."
- Leora Kornfeld: 03:36 What were some of those early experiments that you were doing with short form video?
- Brendan Yam : 03:39 The group that was probably the farthest ahead in terms of creating original digital programming was our Comedy Central group. They had set up, they had brought in a development person, they had started to create original programming. I think comedy itself lends it to creating a lot of original programming because it just needs to be funny and on brand. And so I think for them they saw that opportunity to create these new strands of programming to reach these younger audiences, to push the boundaries. And then obviously social media has so many different aspects and layers to it that once we could bring in MTV and Nickelodeon and Nick Jr. to the play we had so many different things that we could bring to bear on the opportunity.
- Leora Kornfeld: 04:22 I'm going to read a quote here from an article I just read. I wonder if you saw it too. It was called 'Why Viacom Fell and Why It Came Back' ... or 'Why It Can Come Back'; I correct myself. Jason Hirschhorn and Matthew Ball wrote it. Did you see it?
- Brendan Yam : 04:37 Yeah, I did.
- Leora Kornfeld: 04:37 You're grinning. Here's what's interesting about it. They talk about how Viacom was the home of absolutely everything cool. It was sort of the reason to have cable because anything that was youth culture or a little bit edgy was on a Viacom property, whether it was Comedy Central or MTV or Nickelodeon, any of those things. There's a great line in the article. They say, "The advent of cable meant new voices and formats could finally be expressed on television, ones that never aspired to reach the one in three TV viewers in prime time or to entertain the entire nuclear family, but instead excite the most skeptical of teenagers." And I'm wondering how similar you see the opportunity now with short form digital video that existed with cable when Viacom was getting started.

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- Brendan Yam : 05:27 Jason Hirschhorn used to work at Viacom and he's still I think very close to a lot of things that we're doing. I think for me what's exciting about working within the digital studios area is the opportunity to tell new stories. So we really want to reach this younger generation of audiences by creating original digital storytelling, by working with new native digital talent, which means that you need to work in ways that are very, very new and different from how we've been working, let's say on linear. I think that the journey that we're on here where we've seen incredible growth over the past year, I think international itself is up almost 3X on video views and watch time.
- Leora Kornfeld: 06:08 The actual numbers, they're in billions, aren't they?
- Brendan Yam : 06:12 Yeah. When you put us together with the domestic business, I think in total we're doing about 5.6 billion video views a month and almost 10 billion minutes.
- Leora Kornfeld: 06:22 And that's up from ...
- Brendan Yam : 06:22 That's up ... the year ago numbers for that on the international side, it's up about 3X from what we were doing. So I think internationally we're doing over 2 billion video views a month at the moment. So it's really tremendous growth that we're seeing and there's still so many different things that we can tap into and so many different strands that we want to chase down.
- Brendan Yam : 06:42 For example, I think with Comedy Central the ability to really push boundaries. On linear we tend to get on the international side this is a more of a male skewed audience. Whereas on digital, we've created an entire strand of programming with female sketch comedy to reach that younger female audience and introduce Comedy Central to them in a new way.
- Brendan Yam : 07:05 And so that to me is what's really exciting about it is these opportunities to push boundaries, to do it in a way that feels very native and natural to the platforms. And that involves a lot of change on our side to find new ways of working together, but then also it's exciting because these new things will come out from the journey.
- Leora Kornfeld: 07:21 Does it feel like that cable moment where the whole world was opened up and all of these new things could be tried and all of these new audiences could be found?
- Brendan Yam : 07:30 It feels like I'm learning every day. I'm learning new things that are working, new opportunities that we didn't necessarily

anticipate. And so to the extent that that's how it felt when cable was coming, when maybe it moved from more of a broadcast to more of a ... I think always the phrase that I've heard is ... In the beginning when Viacom's networks were always the ones because it was the youth demographic, they were talking to the audience, rather than at the audience. And then with digital, that's a whole another level, where you're really feel like you're sort of almost collaborating with the audience.

Brendan Yam : 08:06 For us a really smash success is not just when like 'Backdoor' in Mexico has a huge viral hit and does 32 million views and generates all these subscribers; it's when the fans then take control of that content on TikTok and start making this just massive list of memes. And it's really, really fun to see the audience really be a part of the programming. So in those ways it feels you're like, "Wow, I didn't know what's going to come out of the next thing that we're doing."

Leora Kornfeld: 08:39 What works on digital that doesn't necessarily work on TV or vice versa?

Brendan Yam : 08:44 I think the example I gave before of reaching different audiences is one. That's certainly one of the things is we want to reach a particular niche or particular demo that's one. Another one would be just the nature of the cost of the programming. We can make more bets. We're taking bets all the time. I think this past year in the international side alone, we've made 132 different digital series.

Leora Kornfeld: 09:10 And compare that to what ... You were on the TV side before, on linear-

Brendan Yam : 09:13 I've actually always worked on the digital side.

Leora Kornfeld: 09:15 How does that compare to TV numbers?

Brendan Yam : 09:18 I don't have a direct comparison for what that is. We certainly have a high volume. I mean overall Viacom itself produces a lot of programming. In digital what you're expecting is the iteration process is faster. We're trying things that either work or don't work and we move on quickly. And then when we get a big hit, what we want to do on the international side in particular is to propagate that everywhere.

Brendan Yam : 09:39 So the model that we've created with VDSI is when we have a hit format in one market, we then want to take that format,

super distribute it across the world and get people recreating that with local talent, and we want to do that really fast. I think we're starting to see that with certain programs.

Brendan Yam : 09:57 One of the ones that I've talked about today at the Buffer Festival was the Comedians Solve World Problems. In that example, the first series of that did incredibly well. It did about I think 4 million views or so. We subtitled it, we saw where it worked around the world and we said, "You know what, for the second season let's do this everywhere at the same time. So let's co-create this." So we did 10 versions of it all running somewhat simultaneous. Each one of those creative teams could then see what the other teams were doing and learn from it, whether it's how the set was set up, how the creative was done, what kind of comedians they picked up for the program.

Brendan Yam : 10:33 So you just had this enormous wealth of creativity all operating at the same time. And I don't think we probably could've done that type of an activity; do 10 shows around the world at once on linear.

Leora Kornfeld: 10:43 Are there any surprises for you when you're taking things and adapting a concept for global audiences, any little regional surprises like you think, "Oh yeah, I'll just take this one to Brazil, or I'll take this to Mexico, we'll do that, it'll work out." And then you get there and you find out maybe no.

Brendan Yam : 10:58 What we try to hook into in order to figure out what is the secret sauce for making something go global is it's partly a stepped approach in its best case, which is we take content that we think is going to work internationally because it has universal themes. For example, relationships, sex, workplace, friendship, a lot of these are very universal themes that everybody can relate to. So if it has that as a strand, there's a good chance that this will work internationally.

Brendan Yam : 11:26 We then try things out with subtitling, or sometimes dubbing where we then can get it in local language. There's a lot of sound off viewing that occurs in the world. So to the extent that the programming lends itself to that type of an experience, we then can get some data and we can get some insights; is this working.

Brendan Yam : 11:42 Then at that point we'll say, "Okay, we think that we've got something that's working here. Let's go to actually making a full ... casting this locally and doing a whole look local version of the programming itself." For example, [inaudible 00:11:57], which is the big Brazilian sketch comedy group that Viacom acquired a

majority stake in 2017, we had done that type of a program where we subtitled content, we tested it. We had this Brazilian sketch comedy working in markets as far away as Poland. So we're like, "There's definitely something here."

- Brendan Yam : 12:15 The first market that was chosen to do it in was in Mexico. They recreated it with a local cast and it's just done phenomenally well. I think in four or five months it's got 2.3 million subscribers. We had one hit video and did like 32 million views. They've got 36 videos with over a million views.
- Leora Kornfeld: 12:32 You went from zero to 2.3 million subscribers in a few months?
- Brendan Yam : 12:36 In a few months, yeah. It's just a tremendous success story and it's based on taking a look at this model. A, it's a really strong IP. There was a real belief in the management team down there that this was universal humour and it certainly proved out. We had a bit of data from the subtitling and the localization process. And then clearly the results now speak for themselves where it's a thing to itself called Backdoor in Mexico.
- Leora Kornfeld: 13:03 To what extent are you using the Viacom proprietary channels and then the social platforms; YouTube and TikTok and all the rest?
- Brendan Yam : 13:11 Viacom Digital Studios operates primarily on social platforms. I mean our approach is to distribute content everywhere, so we do do work for a variety of different platforms. We will distribute product on SVOD services. We have some content that's going to a kid's SVOD app for example, where we've got our short form that's there. The first place that we look is social because that's where the scaled audiences are, today the big scaled audiences. So we're going where our audiences are, creating programming for primarily on those platforms.
- Leora Kornfeld: 13:42 Is there any thinking about having some sort of direct app, the branded app that goes direct and works around those platforms?
- Brendan Yam : 13:50 I think there's a number of initiatives to have applications that carry digital first programming in them. We've seen examples where the digital first programming sits alongside more traditional on VOD or linear programming and can live quite well together. Particularly if there's a recommendation engine involved where you can recommend the right short form to go along with the right long form, it can be a significant portion of the viewing.

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- Brendan Yam : 14:14 I mean the reality is today that these are enormous platforms. YouTube is a universe of its own, Facebook is universe of its own. So they are very different and you need to program to them and to what's best out of them and to get the right experience out of them. But there will be other experiences I think outside of that that you'll see grow up. We're really excited to see obviously a proliferation of different places that we can put content because that's how we think is which platform, what content, what brand, what talent, et cetera.
- Leora Kornfeld: 14:43 I would think another challenge with short form video now is from a business perspective, the ad supported side of things, because if you look at just YouTube and Instagram for short form video, each of them did about \$10 billion in revenue last year. Is ad supported the business model that you're looking at too globally?
- Brendan Yam : 15:06 Ad supported is definitely a key part of our business model, absolutely. If you want to reach a lot of people, you don't necessarily want to have barriers in front of it to do that, and a lot of the programming that we're doing is about reaching the widest possible audiences. And advertising plays a strong role in that.
- Brendan Yam : 15:20 I think the benefit of somebody like Viacom is that we have a diversified business model. So not only do we have the advertising side on what we're doing on social and that we do tend to control our destiny there and manage our own rights to be able to serve advertising, but we also we have distribution platforms, there's pay distribution platforms. Recently we've brought Pluto TV into the family. There's another distribution platform. We've got VOD deals and licensing deals, so often there's programs where we'll also package up content for a VOD service or what have you. So I think it creates multiple opportunities.
- Brendan Yam : 16:00 We also do live events. Company bought VidCon [crosstalk 00:16:05]
- Leora Kornfeld: 16:04 Yeah VidCon, which is the big YouTuber. How would you describe it? It's sort of like the film festival of YouTube?
- Brendan Yam : 16:16 It's the opportunity for all of the video creator industry to come together, and it's the premier opportunity for that, both on the industry side as well as on the creator side as well as on the fan side. It's really a truly unique property and experience and everybody should go and check it out once for sure if you're interested in the space.

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- Leora Kornfeld: 16:34 Do you think maybe we've reached peak ad supported and it might be time to look at other business models?
- Brendan Yam : 16:40 I think it's always wise to look for diversified revenue streams. I think a lot of the people that we want to partner with and that we want to work with have figured out ways to get diversified revenue streams, advertising ability to do studio commissions and sales, ability to have events. We have a massive consumer products business.
- Brendan Yam : 17:01 For us that is the way that we think is how can we maximize an IP across all of these different areas and I think that's a smart way for any creator that's going in the business to think about. Obviously you first and foremost need to get your core idea right and your format, but once you've got something that's a big hit and you want to find different ways to maximize it, you need to think in different ways and be creative about it. And I think that's one of the benefits that Viacom Digital International brings is we're connected to an organization with a diversified revenue model. It takes a long time to build up that infrastructure to support that. And so for the right property and the right IPs, like we can plug them in and really support them to figure out how to make money in different ways.
- Leora Kornfeld: 17:43 When we were riding over in Lyft from the conference, you mentioned that for Viacom, Canada's part of an international territory. And I know what you're in charge of is seeding all of these international production centers around the world. In terms of looking for talent, just at the conference you were telling people to tweet you.
- Brendan Yam : 18:03 Yeah, I mean we truly believe that great talent and great ideas can come from anywhere. From the way that we've managed our programs ... we did a partnership with an amazing talent called Labella in Mexico and that came from internal staff program to basically identify great ideas that we should act on and Viacom acted on it. We're trying to get past some of the biases and some of the blockers that can stop that flow. I've never seen a management team more committed to identifying innovation everywhere than we've got at VIAcon right now at the moment.
- Leora Kornfeld: 18:39 Do you really want people to tweet you directly?
- Brendan Yam : 18:41 Absolutely.
- Leora Kornfeld: 18:42 You're going to give out your Twitter right now?

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- Brendan Yam : 18:44 Yeah, sure. So tweet me @BNoahYam. If you're a creator and want to work with us and you feel like you've got an aesthetic and a tone that matches with some of the ways our brands like MTV, Comedy Central, Nickelodeon, by all means get in touch we want to see it.
- Leora Kornfeld: 18:58 I love it. You put your Twitter handle where your mouth is. That's so great. Thank you very much. Brendan Yam of Viacom.
- Brendan Yam : 19:05 Absolutely. Thank you.
- Leora Kornfeld: 19:07 That's it for this episode and season of Now & Next, brought to you by the Canada Media Fund. The show was produced by Maxime Ruel and edited by Katie Jensen.
- Leora Kornfeld: 19:18 And what a season it's been. We started with a young entrepreneur fresh out of University of Waterloo with AI based audience demand analysis software that he's now shopping to Hollywood and we ended with a VP from one of the world's largest multinational media companies.
- Leora Kornfeld: 19:34 Thanks to those of you who have rated and reviewed the show. It not only helps us out, but it also helps out listeners who are trying to figure out what the heck to listen to because there's so much to choose from. Also, if you want to learn more about the kinds of topics we've been talking about on this podcast, check out CMS Trends' website. Just Google CMF Trends and it should pop up.
- Leora Kornfeld: 19:57 Plus, you can also find show notes with transcripts and links for this episode and all the rest of the shows we've done in season one and season two. There are 13 episodes in total in case you missed some of them. And I know I'm biased, but there's some pretty interesting conversations with executives from YouTube and Wattpad, the [inaudible 00:20:16] kid's TV and VR and AR. Lots to load up onto your phone should you be so inclined?
- Leora Kornfeld: 20:22 That's it for now. Thanks for listening and thanks to the CMF for the support of this series. I'm Leora Kornfeld.