

L'Institut national de l'audiovisuel: Balancing Mission-based Goals and Revenue Generation

Case Study Update 2011

www.inamediapro.com | www.ina.fr

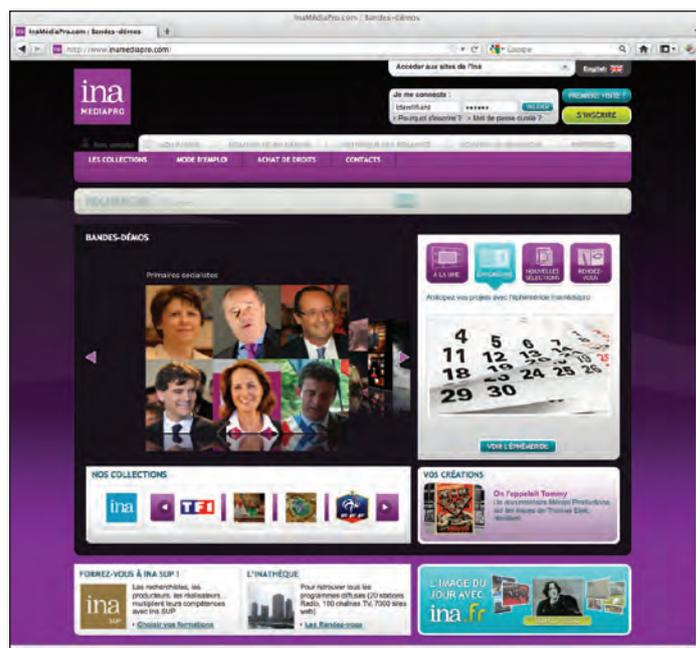
Ithaka Case Studies in Sustainability

L'Institut national de l'audiovisuel (INA), the French national archive for audiovisual materials, is tasked with preserving France's audiovisual heritage through ambitious goals for digitising, preserving, and sharing this content. In addition to the government funding that INA receives, its commercial activities support this work. This update examines Inamediapro, the commercial rights licensing service, and ina.fr, the public website, and their complementary ways of monetising the rich archival holdings in recent years, through a close examination of user needs and strategic partnerships. While both services suffered some declines in revenue within the period studied, they have since rebounded, in part due to consistent attention to serving users and ongoing innovation with new ways to deliver audiovisual content.

The National Audiovisual Institute (L'Institut national de l'audiovisuel, or INA) houses an enormous collection of French television and radio recordings from the past 70. This rich collection, which contains everything from coverage of local town meetings to speeches by General de Gaulle and performances by Georges Brassens, includes close to four million hours of recorded material, in two distinct categories: 1) the audiovisual archives of France's public stations, including radio broadcasts from the 1930s and television footage dating from 1940; and 2) France's legal deposit archive, consisting of broadcasts from 120 public and private radio and television stations, a collection which grows by 800,000 hours each year.¹ By 2015, France expects to be the first country to save 100% of its audiovisual memory.²

¹ Nancy L. Maron, 'L'Institut national de l'audiovisuel: Free Content and Rights Licensing as Complementary Strategies' (New York: Ithaka S+R, 2009), www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability/case-studies/SCA_BMS_CaseStudy_INA.pdf

² See www.institut-national-audiovisuel.fr/nous-connaître/entreprise/histoire.html



www.inamediapro.com

The two divisions of INA discussed in this study, Inamediapro and ina.fr, utilise these vast holdings in different but complementary ways. Inamediapro, the business-to-business rights-licensing group, today offers 500,000 digitised hours of television and 300,000 hours of radio broadcasts to a professional audience including advertising agencies, broadcast companies and video and music producers. As of May 2011, Inamediapro had 11,000 registered customers, up from 8,000 in 2009.

The public face of the organisation, ina.fr, serves a broader mission of providing public access to a pool of rights-cleared content – 31,000 hours (up from 25,000 hours in 2008).

This unit places audience development at the heart of its mission, in addition to generating revenue through a range of innovative programmes – with the objectives of building an audience for the content, and monetising it to cover the costs of the division. As of May 2011, the website was recording

In 2009, Ithaka S+R published twelve detailed case studies of online digital resources, exploring the strategies project leaders were using to sustain those projects for the long term. All of the case studies have been updated in 2011, to revisit the original sustainability models and see how they have fared over the past two years. To read the original case studies, please visit: www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability

over 1.7 million visits per month, compared to 1.5 million in 2008 and had annual revenues of €1,300,000, up from €1,100,000 in 2008.³

Original sustainability model (2009)

INA receives the largest share of its funding from the French government; the terms of that funding are set out in five-year contracts with the Department of Culture and Communication. The latest agreement was renewed in 2010 on terms similar to those of the previous contract: government funding is guaranteed for 66% of INA's operating budget of €127,600,000, and a 34% contribution from INA is required, to be earned through its own commercial activities. INA determines how the government funds are allocated within the organisation, as well as the financial expectations for each individual division.⁴

Inamédiapro, the professional licensing service, has accounted for just over a third of INA's earned revenue in the past, earning €14,500,000 in 2009 against direct costs of €8,080,000.⁵ The unit benefits from in-kind contributions from other departments in the organisation; costs for the legal team who handle rights clearance issues, for example, are not charged back.

The website ina.fr, on the other hand, is considered valuable to INA as the public face of the organisation, and as a laboratory for experimenting with different revenue models. Its efforts draw users to the organisation's many facets, including the commercial licensing business and the educational division as well as the public archive. INA continues to support investment and experimentation within ina.fr. Though in 2009 ina.fr was not covering its direct costs, its greater value to the larger organisation was mission-based: drawing a large audience to benefit from the vast holdings of the archive.

In 2009 both units displayed certain mindsets and practices that we felt boded well for the future: Inamédiapro had recently revamped its processes to be much more responsive to its commercial customers and had shortened its response time. The leader of the ina.fr website had cultivated an environment that supported experimentation, launching revenue-generating projects at low cost, some of which had turned out to be successful. Both units had built strong partnerships with complementary services; Inamédiapro with content holders, and ina.fr with other media outlets, such as the daily newspaper *Le Monde* and the video-sharing site DailyMotion, which vastly increased the reach of their content.

³ Maron, op cit, p.5.

⁴ The current 'Contrat d'objectifs et de moyens entre l'Etat et L'Ina' is available at www.ina-entreprise.com/sites/ina/medias/upload/ina-en-bref/contrat_dobjectifs_moyens3.pdf

⁵ Other sources of revenue generation at INA come from their education division, archiving services, publishing efforts, and research activities.

How the model has fared

Overall, INA has had a good couple of years; the budget as dictated by the Department of Culture and Communication for the period 2010–2014 signalled an increase of government funding of 5.4%, to €92 million. As part of the recent major investment in digitisation by the French government, INA was one of the first organisations to receive funding.

All the same, neither of the two divisions we studied last time, ina.fr and Inamédiapro, has been insulated from the impact of a poor economy and the lower purchasing powers of struggling customers in recent years.

In 2007 ina.fr earned €300,000 from advertising, but the next few years were difficult for a variety of reasons, and ad revenues dropped precipitously thanks to a slow economy and specific challenges to the French advertising market. By 2010 the website was on an upswing, earning €160,000 from advertising, which Roei Amit, Head of Multimedia Publishing at INA, characterises as 'satisfactory, given the market'. The objective is to reach earnings of €220,000 in 2012. Amit says this would be a 'good supplement' but that 'ads will never be a major part of our revenue'. Otherwise, the mix of revenue-generating activities the website has used in the past – sales of their publications, downloads of video and audio clips, and custom DVDs – has helped to support activities of the site.

Inamédiapro, too, suffered somewhat of a setback. After generating €14.5 million from its licensing business in 2008 (as reported in the original case study), in 2009 it experienced a sharp decline – €2.5 million – due to two main reasons:

- The economic slowdown and its impact on the television advertising market that has led to a decline in revenue and producing projects for their clients.
- The reform of French public television (a major customer), which has stopped some projects.

But by taking a proactive approach, offering innovative payment schedules and discount schemes and adding an FTP delivery system to their high-quality services, thereby lowering costs for their customers and speeding up delivery times, by 2010 Inamédiapro had rebounded from the precipitous drop and reported revenues of €13 million. Stéphane Cochet, Sales Manager at Inamédiapro, underlines the emphasis the team tries to place on customer service, noting that they actively promote the philosophy that when their customers are in difficulty, 'INA is a provider that can help them'.

New directions and initiatives

As an organisation, INA devotes a great deal of effort to understanding its users, both its commercial clients and those who are part of the general public, and it offers services designed to expand its user base and enhance the customer experience:

Sustainability dashboard

In this case study, we examine two separate units of France's National Audiovisual Institute, ina.fr and Inamédiapro.com.

		2009 Case Study*	2011 Update**	What's Changed?
Content	<i>Inamédiapro</i>	<ul style="list-style-type: none"> 500,000 hours of digitised television and radio broadcasts 	<ul style="list-style-type: none"> 500,000 hours of digitised television 300,000 hours of digitised radio broadcasts 	Strong content growth
	<i>Ina.fr</i>	<ul style="list-style-type: none"> 25,000 hours of digitised television and radio broadcasts About 100,000 separate audio and video clips 	<ul style="list-style-type: none"> 31,000 hours of digitised television and radio broadcasts About 330,000 separate audio and video clips, including new archive of 200,000 advertisements 	Strong content growth
Functionality	<i>Inamédiapro</i>	<ul style="list-style-type: none"> Log-in intranet for registered professionals Registered users have access to the same tools as INA staff 	New user interface launched in April 2011	New functions added, and some existing ones have been upgraded
	<i>Ina.fr</i>	<ul style="list-style-type: none"> The content is browsable by thematic topic DVD on demand as one paid service 	<ul style="list-style-type: none"> New interface launched in 2009. Several new applications in 2010 	Improved functionality
Sustainability Model	<i>Inamédiapro</i>	Rights licensing	Same as 2009	
	<i>Ina.fr</i>	<ul style="list-style-type: none"> E-commerce Pay per download DVD on demand Publishing Advertising Video on demand 	<ul style="list-style-type: none"> E-commerce Pay per download DVD on demand Publishing Advertising Mobile Subscription SVoD 	Two new revenue sources added to the mix (mobile, video on demand) and increased merchandising (photo on demand)
Costs	<i>Inamédiapro</i>	€8,080,000 (\$10,665,600)	approximately €7,500,000 (\$10,744,000)	-7%
	<i>Ina.fr</i>	€1,350,000 (\$1,782,000)	Same	
Revenues	<i>Inamédiapro</i>	€14,500,000 (\$19,140,000)	€13,000,000 (\$18,600,000)	-10%; but revenue is growing again after two years of decrease and a low of €12,000,000 (\$17,200,000) in 2009
	<i>Ina.fr</i>	€1,100,000	Approximately €1,300,000	+18%
Impact	<i>Inamédiapro</i>	8,000 registered users	11,000 registered users	Customer base is growing
	<i>Ina.fr</i>	4 million page views per month, 1.5 million videos streamed per month and 1 million visits per month from 600,000 unique users	5.8 million page views per month, 3.2 million videos streamed per month and 1.7 million visits from 900,000 unique visitors per month	Website usage is growing
Sustainability Bottom Line (for both units)	Attention to metadata makes trove of content highly valuable to users, and massive government investment in INA as a whole is key to sustainability		INA benefits from the efforts of several revenue strategies to supplement the core funding from the French government. Inamédiapro continues to return a profit to the parent organisation; ina.fr does not fully cover its expenses, but continues to innovate with business models and serves the organisation's mission to offer content to the public	

* These costs and revenues reflect the 2009 fiscal year.

** These costs and revenues reflect the 2011 fiscal year.

■ **Website:** In 2009, ina.fr re-launched its website, introducing a more dynamic interface, including 'most viewed' and similar referral features. Previously, ina.fr was the URL for the homepage of the organisation itself, a page that included information about its governance and strategy as well as links to other sites, including Inamédiapro and the public content site, called 'Archives pour tous'. By making the public-facing site more dynamic and a more obvious starting point⁶ INA hoped to draw greater audience directly to the content.⁷ And it is not resting on its laurels; as of July 2011, ina.fr is again working on revisions to the interface, with previews of the new site slated for March 2012.

In May 2011, Inamédiapro launched a new version of its website that includes more text, video and audio content, including more customer-friendly promotional videos illustrating more ways in which potential customers can consider finding and using the content INA holds. This site offers a referral ('See also') function to help users refine their searches and find additional points of entry into any topic they are researching. Four new search modes make searches faster and more detailed by offering a range of working methods for each user, for laymen as well as for experts. The new website also incorporates a new media player for higher-quality viewing and an upgraded system for creating excerpts second by second.

■ **Focus on users:** Ina.fr has long demonstrated attention to users, including a willingness to deliver video content to them wherever they are, regardless of the devices they are using. In 2009 ina.fr partnered with DailyMotion to deliver content via the popular video-sharing site, as well as with *Le Monde*. This strategy has continued. To date, while ina.fr has chosen to defer developing smart phone applications, it has formed strategic partnerships with companies with the technology to reach these viewers.

■ **Partnership:** INA recently entered into a formal partnership with DailyMotion, France's most popular video-sharing site, to offer over 50,000 video clips to their approximately 72 million unique monthly visitors.⁸ This helps INA to share its content more widely, while also benefiting from DailyMotion's advertising sales expertise.

■ **Facebook:** Ina.fr has developed a proactive Facebook strategy, reaching an agreement to be a video provider to that site. It adapted the INA Player to allow content to be visible directly on Facebook without having to follow a link. As of September 2011, ina.fr currently has more than 17,000 Facebook fans and expects this number to more than double by 2012.

'While ina.fr has been cautious about not jumping at every new trend, it has built a reputation for engaging quickly with new technologies.'

New services: While ina.fr has been cautious about not jumping at every new trend, it has built a reputation for engaging quickly with new technologies. Autumn 2011 will see the development of smartphone apps, timed to be ready for major events, including the 2012 French presidential election. And INA has also chosen to invest in the new Connected TV platform, and has already launched four applications using free video content with TV manufacturers Samsung, Philips, Sony and Toshiba.⁹ Other new services launched over the past two years include:

■ **SVOD (Subscription Video on Demand):** Based on the proposition that people prefer to watch television content on their televisions, ina.fr has invested in developing a new platform for the online delivery of their content through internet providers, building applications that allow viewers to access programmes through their cable boxes. The service, called INA Premium, which was launched with two out of four internet providers in May 2011, makes 100 hours of thematic programming available on an on-demand, pay-per-view basis, or for a subscription of €3.99 per month, with 25 hours to be refreshed each week.¹⁰ As of May 2011, the offering on the market has attracted several hundred subscribers, with projections of several hundred more each month. Ina.fr shares revenue with the distributing internet service providers with whom they now partner, employing, on average, a 50/50 split. While the organisation does not expect to earn a great deal of revenue from this service in the short term, ina.fr management sees this as a long-term investment which allows them to tap into a large new audience – 14 million households – with the potential to become a source of revenue in the future.¹¹

■ **DVD on Demand:** Launched shortly before the original case study was published, this innovative experiment – which allows people to create custom physical DVDs from the digital content available on the ina.fr site – has now become a permanent offering of the website.

■ **Photograph collection:** As part of the INA 'Boutique', customers can order posters, postcards, calendars and other products derived from INA's extensive photography collection. This initiative has not generated much revenue yet, but the investment in the service was low and it is considered an experiment.

⁶ 'Le site de l'INA change de visage', L'Express.com, June 25, 2009: www.lexpress.fr/actualite/high-tech/le-site-de-l-ina-change-de-visage_770253.html

⁷ In July 2011, the INA corporate site re-launched as well: www.institut-national-audiovisuel.fr/nous-connaître/entreprise/edito.html; www.institut-national-audiovisuel.fr/presse/pdf/689.pdf

⁸ 'Dailymotion accueille la formidable base d'archives vidéo de l'Ina', press release, 20 October 2010; available at <http://press.dailymotion.com/fr/wp-content/uploads/CP-Dailymotion-INA-20.10.2010.pdf>

⁹ www.rapidtvnews.com/index.php/rtnv-francaise/nouvelles/les-images-de-lina-arrivent-sur-les-tv-connectees-philips.html

¹⁰ www.numericable.tv/vod/boutique/INA

¹¹ <http://cblog.culture.fr/2011/05/03/les-images-de-l%E2%80%99ina-sur-les-tv-connectees>

Partnerships. Creating partnerships was a relatively new initiative for Ina in 2008, but it has taken on increased importance in subsequent years. Ina considers these arrangements a key strategy for expanding the content base for their commercial clients, but now also negotiates for rights on behalf of the entire organisation so that INA can develop a range of additional products for general audiences. The sports world has been a particularly strong area for partnerships, because the sports federations see collaboration with INA as the best way to promote and distribute their footage. In addition to earlier arrangements with the IOC, the Tour de France and the French Open tennis tournament, in 2010 Ina entered into relationships with the French Federation of Soccer and the French Federation of Rugby. It has also added 300 hours of high-definition images from the collection of Yann Arthus-Bertrand, a French environmentalist and documentarian known for his aerial photography. Looking ahead, the organisation hopes to increase its partnerships with French and foreign production companies to increase access to historical content and popular, contemporary formats such as live and variety shows, talk shows and short programmes.

Governance. In May 2010, Emmanuel Hoog was replaced as President of INA by Mathieu Gallet, a choice that was contested by some at the time and has continued to stir some controversy.¹² Among the concerns voiced in a recent article in *Marianne* are that his approach is more attuned to generating profit and less focused on the mission-based goals of the organisation.¹³ A plan, ultimately rejected, to move INA from the site it has occupied since the 1980s, in an eastern suburb of Paris, to the west of Paris, where many of the larger media companies are located, was met with strong opposition, including a protest by 150 of its 1,000 employees.¹⁴

Sustainability outlook

Today, INA continues to successfully balance its mission and the need to generate revenue through the activities of Inamédiapro and ina.fr, two complementary services. Making audiovisual content findable and useful online requires tremendous investment. INA's managers have understood that images alone have little value if they are not contextualised and made available to the public. Their strategic decisions are based on the following considerations:

- **Focus on users, not on innovation for innovation's sake:** Ina.fr determined that users wanted to access content via mobile devices, but this did not mean that ina.fr needed to lead the charge in developing new software to do this. Rather, by creating strategic partnerships with enterprises

that already maintain platforms for various electronic devices, ina.fr is able to focus on content development and building a user base – areas in which it excels – rather than on developing technology, which is costly and changes quickly. Similarly, Inamédiapro has continued to pay attention to user needs and to shape services designed to enhance the experiences of its users and customers.

- **Don't overlook the obvious:** Ina.fr's successful DVD on Demand experiment grew out of the observation that DVD sales were up, even as more people were online. In the same spirit, the upcoming SVOD initiative is based on the assumption that people will want to watch television content ... on their televisions.

Looking ahead, both ina.fr and Inamédiapro are likely to remain important parts of the INA sustainability strategy. Maintaining the right balance of revenue generation and mission-serving open content, though, has recently been a challenge, at least in the eyes of some observers. Going forward, maintaining the mission goals of preservation and access will be very important in assuring INA's role as a cornerstone of France's audiovisual heritage.

Lessons learnt over the past two years

- Combining a public mission (offering open content) and commercial activities is possible, particularly when products are clearly differentiated
- Learning from users – what they need, where they go for content, how they want and need to use it – is a powerful way to shape offerings
- Partnerships can be effective in furthering mission goals, without taking on expensive development risks
- For any project that must compete – for customers, for users, for attention – in the marketplace, keeping a close eye not just on what conditions are today, but how they are likely to develop, is essential

Interviewees

Roei Amit, Head of Multimedia Publishing, INA,
25 February 2011 and 29 June 2011

Stéphane Cochet, Marketing and Sales Manager, INA,
29 March 2011

This case study update was researched and written by Nancy L. Maron as part of the Ithaka Case Studies in Sustainability project.

¹² www.lepoint.fr/chroniqueurs-du-point/emmanuel-berretta/ina-mathieu-gallet-nomme-president-26-05-2010-459110_52.php

¹³ www.marianne2.fr/Exclusif-l-INA-au-bord-de-la-crise_a200841.html and www.marianne2.fr/INA-Mathieu-Gallet-toujours-sur-la-selle_a205014.html?com#comments

¹⁴ <http://bry.citoyens.com/2011/lina-va-t-il-quitter-lest-parisien,07-04-2011.html>

Summary of revenues and costs: ina.fr

	2009	2011	Comments
Total revenue	€1,100,000	€1,300,000	+18%
Advertising	27%	21%	
Video downloads	27%	29%	
DVD on Demand programme	18%	15%	
Hypermedia partnerships	27%	29%	
Subscription Video on Demand (new in 2011)	n/a	5%	
Photographs/INA Boutique	n/a	1%	
Total costs	€1,350,000	€1,350,000	+(Note: costs do not include royalties paid to rights holders)
Personnel costs	78%	78%	Now covering costs of ten full-time tech staff, up from six in 2009. Editorial staff size remains the same
Non-personnel costs	22%	22%	
Number of staff	21 FTE	21 FTE	
In-kind/volunteer contributions	Costs related to scanning, metadata creation and transcriptions, hosting, IT support, and rights clearance are not charged to this division; only six out of ten programmers are charged to ina.fr		Now, all ten programmers are covered directly by ina.fr

Summary of revenues and costs: Inamédiapro

(~ = approximately)

	2009	2011	Comments
Total revenue	€14,500,000*	~€13,000,000	-10%
Rights licensing	100%	100%	
Total costs	€8,080,000	~€7,700,000	-7%
Personnel costs	46%	50%	
Non-personnel costs	54%	50%	
Number of staff	71 FTE	68 FTE	Over 90% of staff involved in sales and marketing
In-kind/volunteer contributions	Costs related to scanning, metadata creation and transcriptions, and rights clearance are not charged to this division		

Explanatory note

The information presented in these tables is intended as a broad picture of revenues and budgeted costs associated with the project, not as a detailed financial report. It does not include in-kind contributions or other unbudgeted items, though these are described where they are known. The financial data, which are presented in the currency in which the project reported the information, were compiled as part of the interview process with project leaders and staff, and in some cases were supplemented with publicly available documents, such as annual reports. Many of the figures are rounded or best estimates. Some leaders preferred not to offer figures at all, but suggested percentages instead. Because of the variability in the way each institution estimated the various categories of revenues and costs, the information presented in the table is of limited value for detailed cross-project comparisons.

* Includes global turnover for marketing and sales divisions, including footage sales, sales of television programmes and sales to publishers.