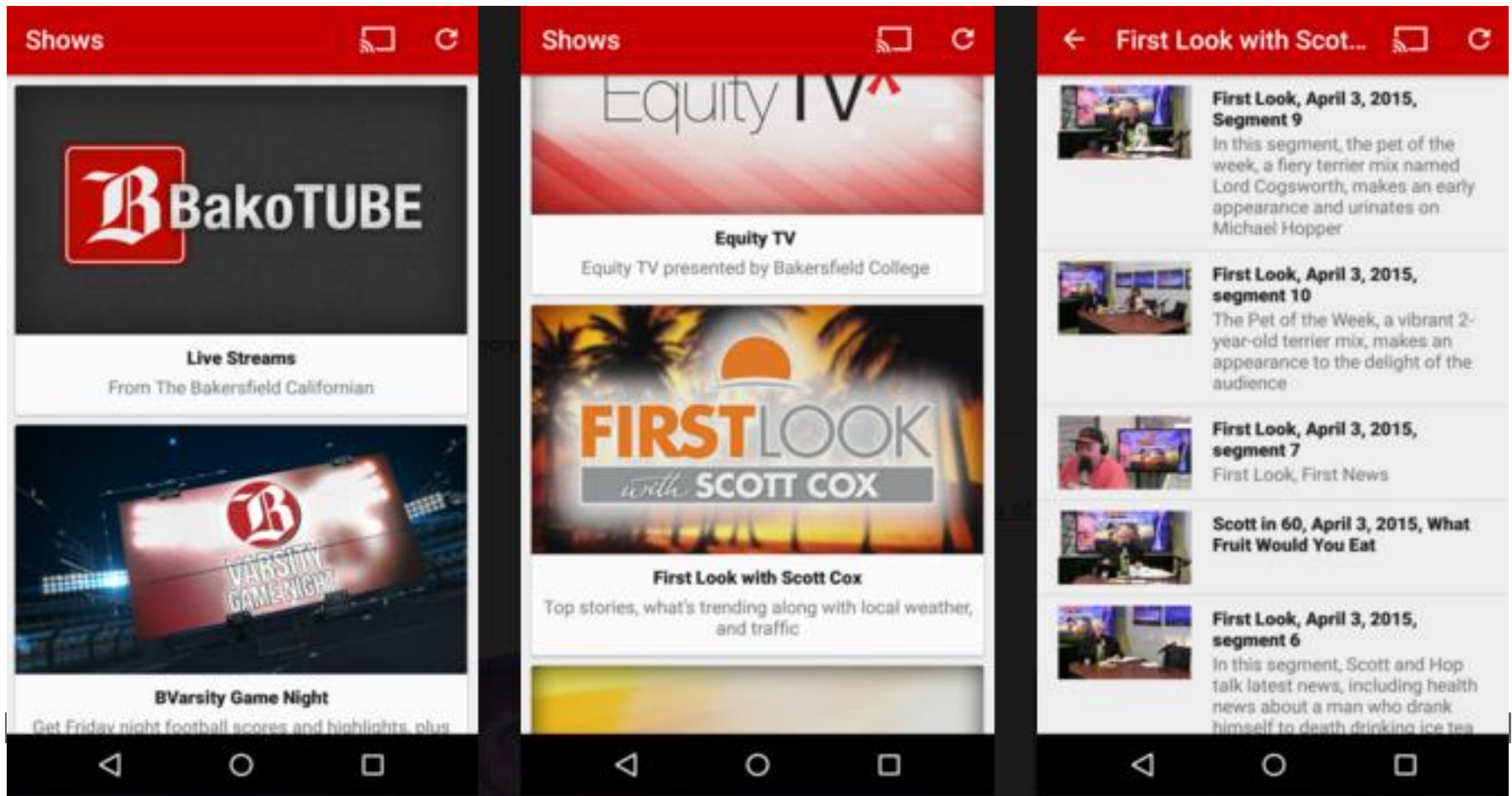


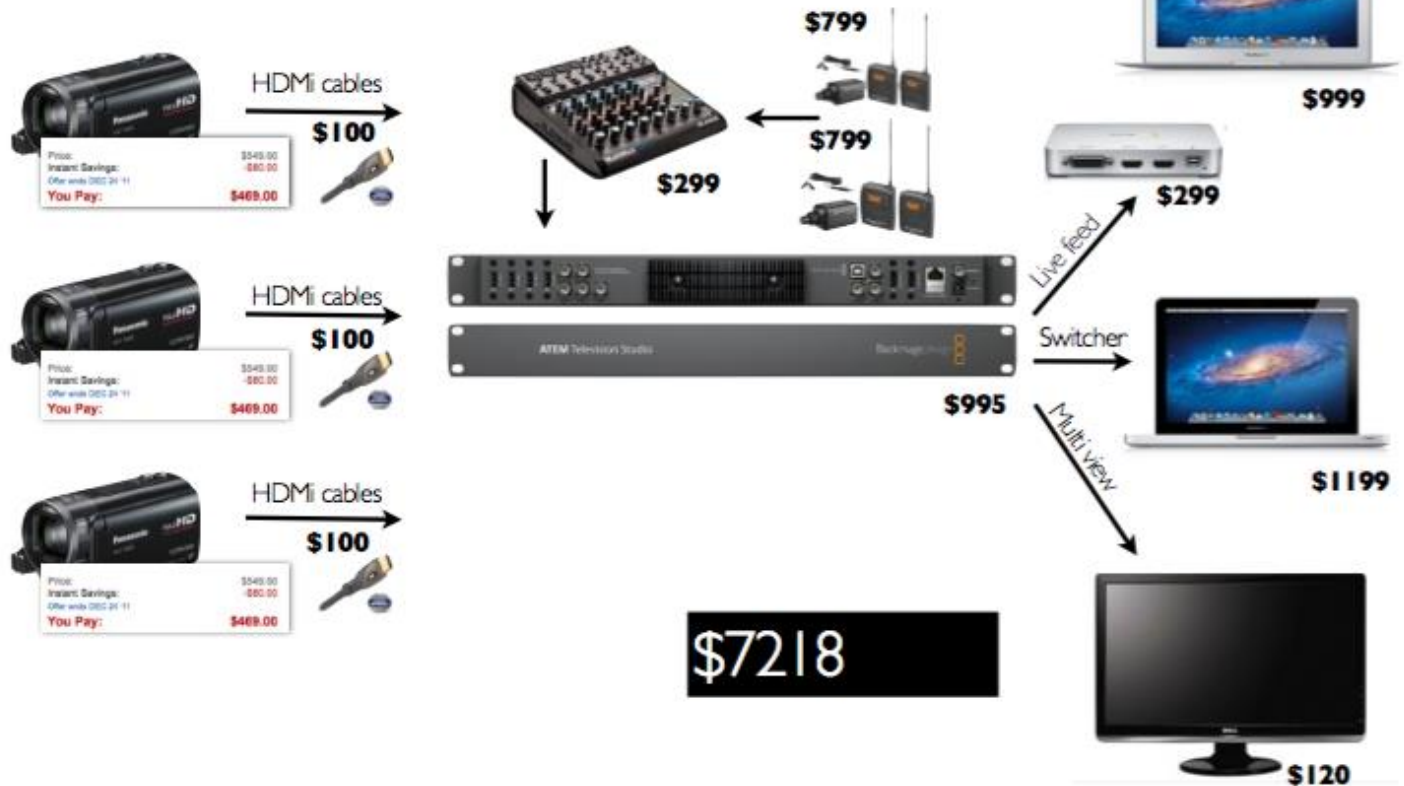
Going Big on Video and OTT

Logan Molen, TBC Media and The Bakersfield Californian



How We Started

Building a TV station for under \$10,000



Where We're At Now

shows



- We **proved concept**, invested in a studio, small staff and programming
- Strategy is focused on **linear content**; packages rarely resonate
- **24-42 hours per week** of live, scheduled programming
- **On-demand video** repackaged for web, mobile, OTT platforms
- **Cost-effective production** with good enough to very good production values
- Can **quickly go mobile** to livestream multi-camera productions

Varied Live Programming

- **FIRST LOOK:** 4-hour weekday talk show simulcast from studio on video and AM/FM
- **SPORTS:**
 - **Prep sports:** Extensive live studio and game coverage
 - **College sports:** Partner with colleges for weekly studio programs and live games
 - **Pro hockey:** Partner w/AHL team on bi-weekly studio program that re-airs on TV
 - **Motorsports:** Weekly studio show in partnership with three local race tracks
- **BUSINESS:** Variety of programs in partnership with chamber, SHRM, economic development groups
- **MEDICAL:** Monthly health seminars in partnership with local hospital
- **EDUCATION:** Partner with local college for program on diversity
- **“HAPPY” CHAT:** “Open Up with Don & Tina,” talk show w/subtle spiritual theme
- **COMING IN MARCH:** Weekday afternoon newstalk featuring TBC Media staff

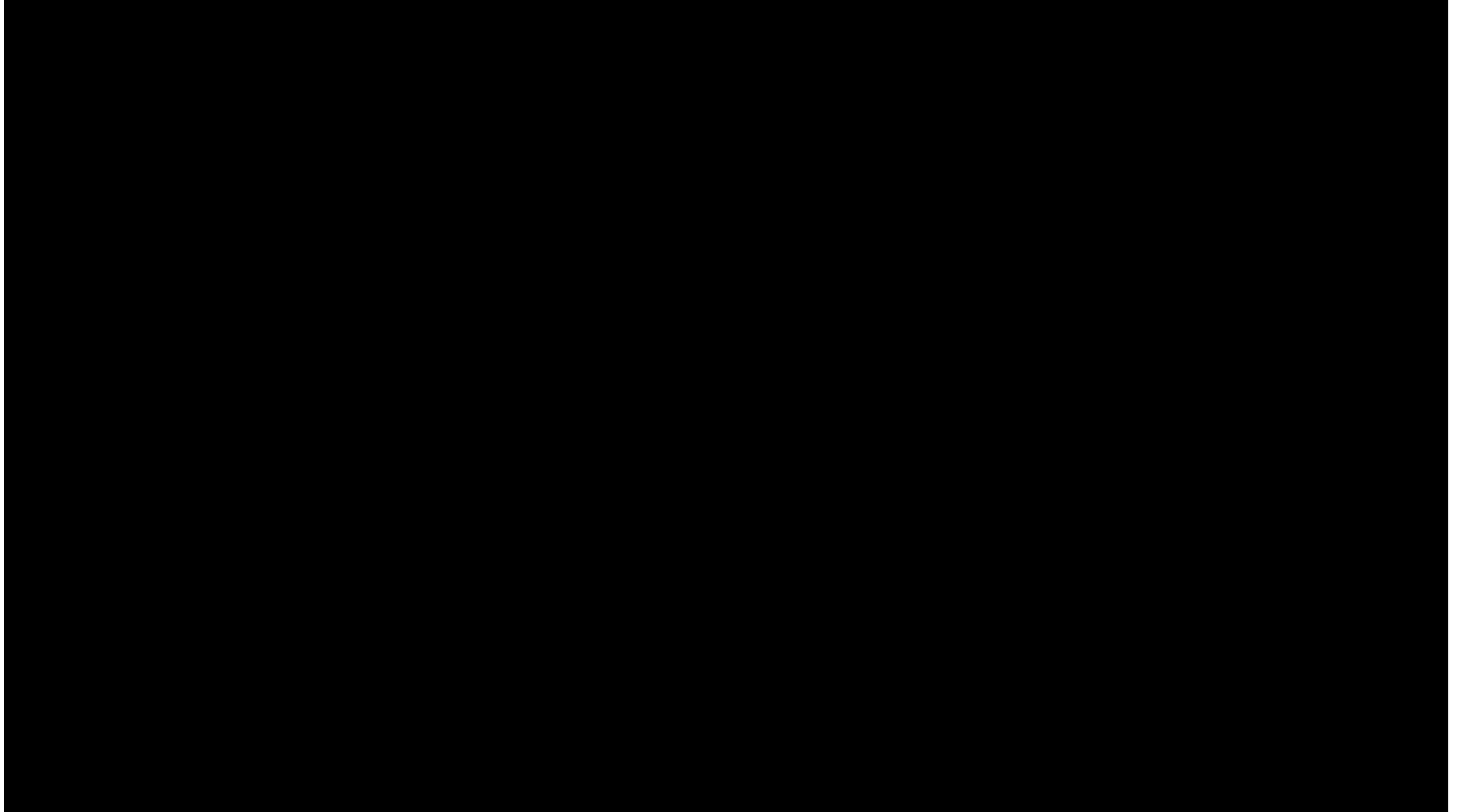
Other Livestream Programming

- Community events
local TV no longer
broadcasts
(Christmas parade,
chamber awards)
- Special events of
high niche interest
(drag racing,
academic contests)
- Business and
health: monthly
seminars, summits,
HR training



TYPICAL LIVE PROGRAMMING SCHEDULE						
TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
6 a.m.	First Look	First Look	First Look	First Look	First Look	
7 a.m.	First Look	First Look	First Look	First Look	First Look	
8 a.m.	First Look	First Look	First Look	First Look	First Look	
9 a.m.	First Look	First Look	First Look	First Look	First Look	
10 a.m.	Strictly Busines	RoadRunner Rundown		Open Up with Don and Tina		
11 a.m.		Bako Motorsports	Renegade Report	Equity TV		
Noon		San Joaquin Hospital medical seminar	Condors Unleashed			
1 p.m.						
2 p.m.					B Varsity Preview	Bakersfield College football
3 p.m.	TBC First NewsHour	TBC First NewsHour	TBC First NewsHour	TBC First NewsHour	TBC First NewsHour	Bakersfield College football
4 p.m.						Bakersfield College football
5 p.m.						
6 p.m.						
7 p.m.			B Varsity Game Night		B Varsity Game Night	
8 p.m.			B Varsity Game Night		B Varsity Game Night	
9 p.m.			B Varsity Game Night		B Varsity Game Night	

A Taste



Revenue Models

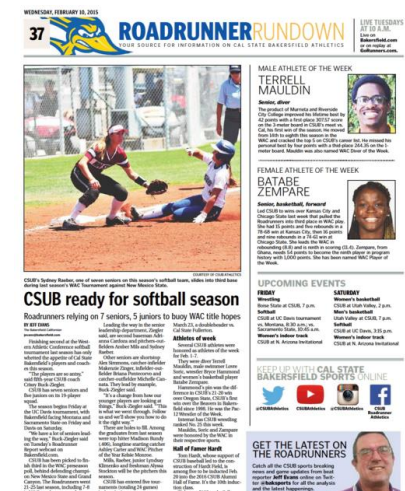
We have experimented with various revenue models:

1. **Total Control**: We create content and control all inventory
2. **Creative control/shared inventory**: We create content and share ad inventory in exchange for services (for example content, promotion)
3. **Production/shared inventory**: Partner provides turn-key content (hosts, B-roll, guests), pays us a fee for production/distribution and we split ad inventory
4. **Turnkey**: Partner pays us for studio time, production and distribution, and controls all ad inventory
5. **Video-radio simulcast**: Radio partner pays us for studio time, we split show sponsorships and sell separate ads for audio and video streams
6. **Live production**: White-label livestreaming for a fee

Video-First Workflow

Our livestreams often feed other products:

1. Livestream event, often with beat reporters handling play by play and social media
2. Edit video clips into smaller on-demand segments
3. Repurpose content for web, social and print



Video Platforms

➤ **Livestream:** BitGravity (main), Ustream, YouTube

➤ **On-demand:** BitGravity, YouTube, Facebook

➤ **OTT:** BakoTube apps for Roku, Amazon Fire, Chromecast/Android

➤ **Twitter/Instagram:** Very short highlight clips

➤ **Tout:** Focus on breaking news, third-party video



Challenges ... or Opportunities?

- We have struggled to sell traditional 30-second spots ... so we pursued sponsorships, which are more effective in fueling **long-term partnerships**.
- Audiences for many video programs can be relatively small ... but **engagement can be deep** for niches that are attractive to sponsors.
- Ad blockers can disrupt 30-second spots ... **sponsorships are immune**.
- Paid programs can be **surprisingly newsy**.
- Our market has high rates of poor literacy and ESL. Relevant video can **transcend language and literacy hurdles**

Other Lessons

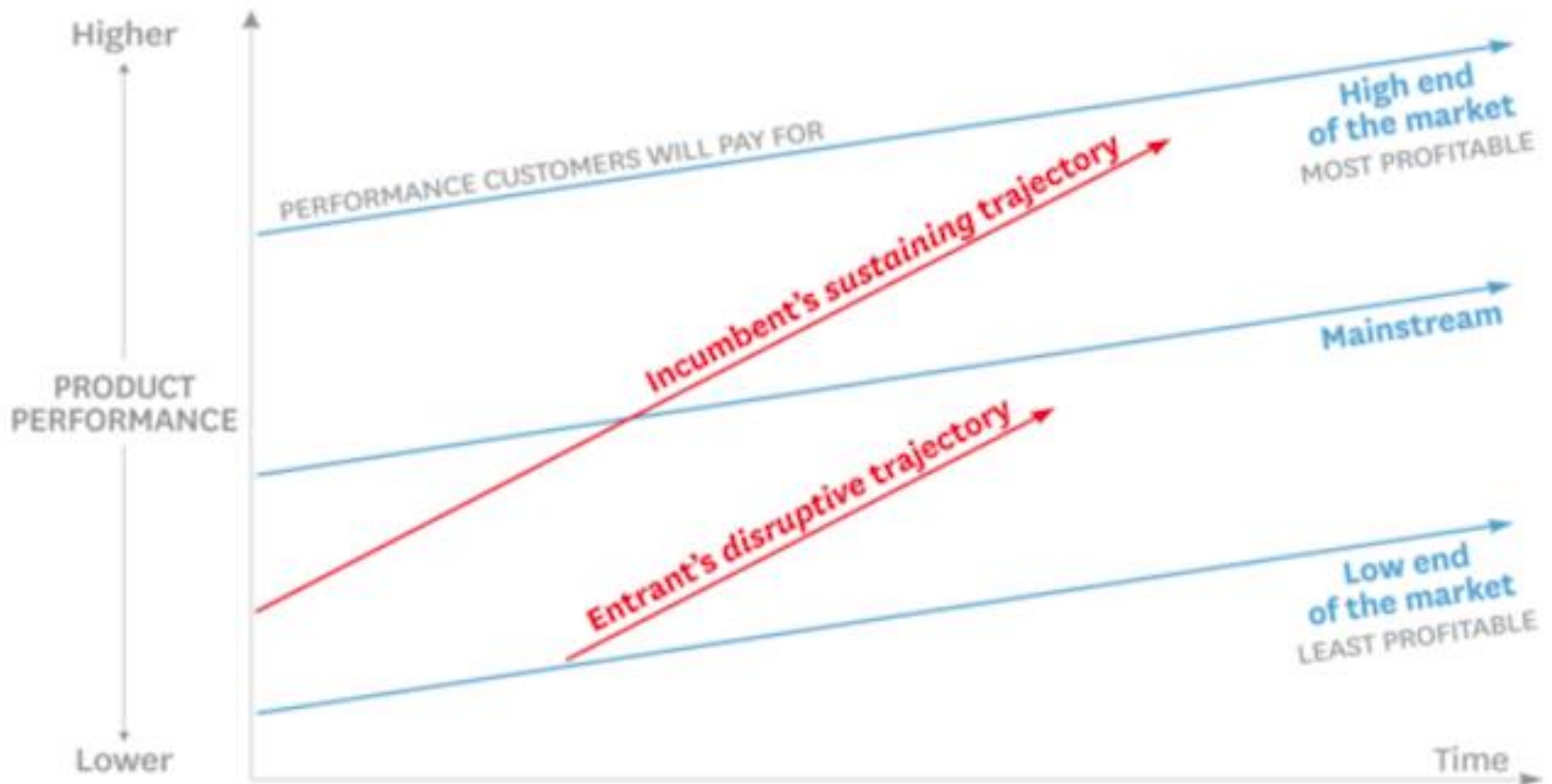
- **Start small** and creatively grow into your dreams.
- **Don't mimic TV.** They're already good. Be different.
- We need to focus our **packaging and promotion**.
- We have taken a cost-effective route but a key downside is lack of **relevant metrics**.
- We need **dedicated video reps**.
- Advertisers prefer **simple buys**, not complex multi-layer packages.

Our Market Variables

- Our market skews younger and is increasingly diverse
- Heavy mobile usage, particularly streaming content
- Video helps us attack ESL, illiteracy challenges
- Local businesses are already spending big money on digital video — that often don't get much exposure.



Opportunity to Disrupt



SOURCE CLAYTON M. CHRISTENSEN, MICHAEL RAYNOR, AND RORY MCDONALD
FROM "WHAT IS DISRUPTIVE INNOVATION?" DECEMBER 2015

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Advantages vs. Local TV

- We are not beholden to a broadcast “clock” or 30-second spots
- Backpack technology is more efficient than “live trucks.”
- Not having legacy broadcast infrastructure means we can provide content/services that don’t make financial or ratings sense for local TV.
- We have a more robust product mix to deliver our message: OTT apps, mobile, desktop, social media, radio, email AND print.

Over The Top Opportunities

- **Connected TVs** are increasingly common
- Netflix, Roku, Apple TV, HBO Go, Amazon are **resetting audience expectations**
- **Mobile consumption** of video (short- and long-form) continues to explode, particularly among audiences we do not reach
- **Low-power TV stations** nationwide will be silenced as part of plan to license their spectrum to wireless providers
- Low production and distribution costs = **path to disruption**

Around The Corner

- **Expanded programming** (daily afternoon NewsHour, classified verticals)
- More **disciplined on-demand distribution** strategy
- **Video-centric redesign** of all platforms
- **Revenue strategies**: Vertical sponsorships, partnerships and third-party network advertising (in-stream pre-roll/mid-roll and overlay)
- **Platform/distribution provider**: Healthcare, government, athletic programs and other organizations are interested in cost-effective production paired with our distribution

Questions?

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