

# Techtopia with Chitra Ragavan

## Episode 10: Anjali Midha & John Mass

Chitra Ragavan:

Even before the COVID-19 pandemic, the entertainment industry was being upended by the rapid pace of streaming and other technology. Then COVID-19 hit, shuttering movie theaters, shutting down the world and driving people into their homes and in front of their television screens where they've largely remained over this past year. Hello, everyone, I'm Chitra Ragavan. And this is Techtopia. The pandemic has been a giant wake up call to an already disrupted industry, which increasingly is turning to data-driven insights to figure out how to survive and how to evolve in the post-pandemic streaming era.

Chitra Ragavan:

Joining me now to talk about the data-driven transformation of Hollywood and the entertainment industry are two amazing guests. Anjali Midha is CEO and co-founder at Diesel Labs. The Cambridge, Massachusetts based startup delivers cutting edge content analytics to help media decision makers address some of the toughest questions confronting the industry today, such as what to produce, where to distribute it and where to market it.

Chitra Ragavan:

I'm also joined by John Mass. He's executive vice president at Content Partners, a Los Angeles based investment company and the leading independent owner in the world of major studio distributed films, television shows, and related media. Since its inception, Content Partners has invested more than \$1 billion in this marketplace with more than 500 studio release films and more than 3000 hours of television. Anjali and John, welcome to Techtopia.

Anjali Midha:

Thanks so much for having us.

John Mass:

Thank you.

Chitra Ragavan:

Talk about disruption, did either of you ever imagine that something as destructive as a global pandemic would descend on the world, and what's it been like to see the effects on the entertainment industry?

Anjali Midha:

Well, I definitely did not see the pandemic coming. I think being in our shoes, starting a company that's studying the interactivity and the development in the media industry was tough enough as it was, thinking ahead about what were we going to see in the next three to five years. Pandemic was definitely not on the dart board, but it has been a fascinating year in terms of actually, I think accelerating a lot of the change that we're expecting in the media industry. It's sort of speeding up because we're seeing people at home, we're seeing accelerated change in terms of how movies will be distributed, not just this year, but in the years to come. I think a lot of what we were probably going to see over the next five, 10 years, we're going to now have that happen in the next year or two. John, I don't know if that jives with your perspective as well, but interested to hear.

John Mass:

No, absolutely. I think you have to look at... certainly it's been a devastating year. So much obviously loss of life, which is the saddest component of this, but also businesses have really been shook. But at the same time, I think there's been a lot of advancements. As you said, things like PVOD and TVOD in the film business, shortening the windows of the licensing of different content from theatrical to various forms of television has happened. I think in many ways it won't ever go back to where it once was. Those windows will stay very short. Some studios will continue to release both in theaters and on, as loosely defined, television or at home as possible. I think that's good for the business. Innovation and change is good, and something like the pandemic has certainly accelerated and changed that.

John Mass:

The same time, I think we're seeing the theaters coming back, the reopening. There seems to be a real demand for people to get out and go to movie theaters. I don't think 2021 will approach 2019. I think 2022 will be a much better guide as to what the theater business will be. But suffice to say, it's certainly going to be much better than 2020. I'm glad. I think there's nothing like going to a movie theater and I hope people do go back.

Chitra Ragavan:

Oh, I totally agree. I just love being in a movie theater. Nothing really quite compares to that. If you look at the transformation of the entertainment industry, even pre COVID, John, what have been the most sort of consequential changes and who are the drivers in how content has been produced?

John Mass:

I think how content has been produced is still been driven by the creators, whether those are writers, directors, actors, producers. The creation of content has been driven by them, but in what form it takes, what distribution channel, it may rest upon or to be delivered, that's been dictated by the traditional buyers, big studios and networks, and now new players, the more tech oriented type companies that have entered the entertainment business. It's still to be determined what it will look like in the future.

Chitra Ragavan:

I guess it's one more area where big tech has playing the 800 pound gorilla now. You've got Netflix and Amazon and Apple, and all of these players who are suddenly making their presence known in a very big way.

John Mass:

Yes. Most recently the move that we've heard rumors that Amazon may be buying MGM or is in talks of buying MGM is a really big play where you see further consolidation of the business, further vertical integration between a distributor in the case of Amazon and a producer or distributor in the case of MGM. It gets to be real interesting going forward and the role that these new companies in the entertainment business are going to have.

Anjali Midha:

Speaking of creative, it's interesting too because some of those tech behemoths, as you called them, they have very different decision-making frameworks. It's completely different wildly different in fact to program an on-demand service with thousands of hours of content, versus how we used to see things get programmed, where it was I need a drama to fill my Tuesday 9:00 PM or Wednesday 9:00 PM time slot. That has also, I think, accelerated pretty fundamentally with the introduction of some of these other services, like Peacock or Paramount Plus that are coming out from the traditional media companies themselves now catching up to thinking about programming in that completely different way, which ultimately impacts what gets selected to get made and where things appear for audiences.

Chitra Ragavan:

Yeah. It's just not just how we distribute it, but how we actually consume the content, and that's one of the areas where your company, Diesel Labs is making a huge amount of headway in terms of content analysis and cross platform audience and insight analysis. What are the kinds of things you're studying and what are you finding?

Anjali Midha:

You know what's so interesting about the world we're in right now is that we have more content than ever before and somehow or the other, we have less knowledge about how audiences are consuming that content, because it is now so fragmented, sitting in so many different platforms and requires very sophisticated measurement to figure out because really what's going on under the hood and did somebody just click away from Netflix and over to Disney Plus? Or maybe they clicked to go to their set top box. Those are questions that are becoming increasingly difficult to solve. What we're doing at Diesel is we're using all of the audience engagement data out there across all the major social and video platforms to help us understand what's happening.

Anjali Midha:

If Netflix keeps their data close to the vest and if Disney Plus keeps their data close to the vest, how are we going to start to unpack what's really going on with audiences? That's part of the role that Diesel Labs is starting to play.

Chitra Ragavan:

What are the things you were finding?

Anjali Midha:

I mean, good goodness. Especially this week, it's been a very tumultuous week with the news about WarnerMedia and Discovery joining forces most likely, as well as, as John mentioned, with the Amazon-MGM news. What's really interesting, one of the latest things we learned this week actually was, Netflix this year was poised to be the largest producer of content in terms of volume. They had the most titles currently slated for release this year. With the WarnerMedia and Discovery news, that joint new company would actually overtake Netflix and move to first place in terms of volume of content being released this year.

Anjali Midha:

On top of that, then we have the sort of engagement piece of it, which is Disney Plus that releases fewer titles than both of those other companies that I'm mentioning, but has by far the most audience engagement related to its content. In terms of making with fewer titles, they've been doing a tremendous job. Those are just a couple of the types of things that we've been seeing happening here in these last couple of weeks and months.

Chitra Ragavan:

Wow. That's amazing. In terms of the types of content that people are watching, you've done some really interesting analysis, like around the time when Bridgerton was really hot, and looking at some of these other trends, looking at rebooting of content, what are some of the key trends you're finding?

Anjali Midha:

I think what's interesting is that we definitely see that the streaming platforms are taking more risks with their content than the folks on the traditional side. But I fully anticipate that over time, we're going to see them both meet in the middle to a certain extent. The Bridgerton story is a funny one, actually. Bridgerton as most of you probably all know, was Netflix's Christmas Day content that came out last year, 2020. What was interesting, the audience signal that we were seeing from that, it was immediately after people finished watching Bridgerton, they couldn't help themselves. Everybody wanted more period pieces, more regency content, if you will, more drama to consume. At the time Netflix had few options for those folks. So people started asking their friends, asking their networks, figuring out "what should I go watch next?"

Anjali Midha:

Then the top show that became recommended was a lesser known show called Sanditon, which is a PBS Masterpiece title. Chitra, actually, since the last time you and I spoke, Sanditon, which only had one season and was not renewed for a second season, literally in the last week and a half or two weeks, it was announced that they are going to now produce seasons two and three of that show. I don't think it's a stretch to say thanks entirely to the excitement around the show that was generated draughting off of the Bridgerton audience's rabid consumption of like content. That's just one story and there's probably a hundred like that where we can see the trends and patterns, how audiences consume content and what they want to consume is actually driving a lot of the very strategic decision making that's happening at the highest levels.

Chitra Ragavan:

Well, I guess, with all of the streaming, all of this demand for content on the part of viewers, there must be a massive demand for content on the part of the producers who have to shell out all this content, and it seems like just from some of the work you've done on rebooting episodes and all of this, and John, in fact, you own a huge amount of entertainment rights to things like CSI and Law and Order and all of these old beloved shows. I guess there must be a huge hunger for those types of shows as well to fill out all the space, right?

John Mass:

Absolutely. The more eyeballs, more people looking for content, more content that you need. And that's why I think Netflix is geared up to so much content production and creation. One, because the demand is there. Two, because as these media companies start to become more competitive and siloed, they're not selling to each other anymore. Disney is keeping its content for itself and no longer has, for instance, any of the Marvel content on Netflix. With that, Netflix has to rely on its own or others for their content. They've really geared up. They knew this ahead of time when they saw that others were going to start their OTTs and are creating an incredible amount of content. But it's very

siloed and I think it will continue to be siloed. If MGM is bought by Amazon, I assume they will be the in-house studio for Amazon, will be creating content only for Amazon.

John Mass:

And there are very few, as I think they've been referenced, arms dealers before, it's a strange reference, but companies like Sony who will sell to anybody, and I think that's where you get that reference, has fared very well. You look at their numbers, they just made a big deal at Netflix and Disney for their new releases and some of their library content. And they've chosen that path. They're not going to be competing with Paramount Plus or HBO Max or Amazon or Netflix. They are going to sell to everybody, and there's a role. We will see if some of the other studios who have started to make forays into this space will combine with others, or will go it alone, or will roll up their tent and just make content for everyone. It's to be determined. I think there's still a lot more consolidation and change to occur going forward.

Anjali Midha:

I think that's probably why franchises are so important, which is why MGM, for example, is such an attractive target given that they do have a big franchise in James Bond, for example, because you made the point earlier about how now Marvel content is no longer available on Netflix, it's exclusively available on Disney Plus. It means each of these players needs to put a stake in the ground as to what their franchise content would be. And that extends to television also. For example, you mentioned NCIS or Law and Order, those are franchises in their own right, as are all these reboots that we were just talking about earlier coming back. Familiar content has an extremely important and essential role to play in filling out the total value proposition for audiences as they think about "should I subscribe to platform A or platform B."

John Mass:

It's a symbiotic relationship in a weird way. Yes. In a way the competitive broadcasters, let's use traditional broadcast, and those who would take its' syndication rights off syndication rights or the OTTs, it's now a symbiotic relationship because you see something like... this example like Grey's Anatomy. It had almost a rebirth, lot of people discovered Grey's Anatomy through their streaming platform and then flocked back to broadcast network, to get the latest season. Same thing with Breaking Bad. If it weren't for Netflix, I don't know that Breaking Bad would have had its success or been discovered by as many people. They've had this great sort of symbiotic relationship and there's been rebirth. Fuller house, I think became a new show, a rebirth show when the folks at Netflix saw the numbers of how many people are watching old episodes of Full House. Or Seventh Heaven or Gossip Girl or Fresh Prince.

John Mass:

Now, these all have new iterations of them, and I think a lot of it is because of this discovery from people who grew up with those shows and wanted to watch them again, or people who just discovered them, younger generations who discovered those shows and say, "Oh, these are great," and now want new episodes. Cobra Kai, great example of that too. It's great. I think it's been terrific, but that also talks about the value of franchise power, recognized brands that have had success that are being rediscovered and enjoyed by millions.

Chitra Ragavan:

Yeah, that kind of answers, I've often wondered, why are they doing these spinoffs of these old shows? Why don't they just come up with new ideas? Why is there such a lack of originality? But I guess this kind of answers that right? A, the need for content, tried and true content, and then of course, the world of comfort food, the equivalent of comfort food of having these shows on tap.

Anjali Midha:

Absolutely. The comfort food too, when you think about "hey, should I subscribe to this platform and do they have content for me recognizable titles, things you already know about play, I think almost an oversized role in that decision-making process for audiences because they're not always going to remember every... if I asked you, "Can you name 20 titles of things that you watched off of Netflix last year?" You certainly watched 20, maybe you watched 40, but coming up with all those titles off the top of your head can be harder, whereas familiar content is easier to recall. It's kind of woven through our lives, as John put it, through your childhood into your adulthood.

John Mass:

That reference to comfort food, and you may know this, Anjali, but I believe that the programming of the major OTTs, something like 70% is licensed content or library content, what is viewed, versus original television shows have been 20 to 30%. They promote and sell and get you to subscribe with new shows, big names and big stars and big directors and big budgets and exciting content. And you sort of stay on the service for the comfort food, the reruns of Friends, or The Office, or Seinfeld or Law and Order, or fortunately, CSI. I think it's a balance of the two. I think that may be one of the driving reasons for Amazon's purchase of MGM, which is, they're going to create more and more new content, but also licensed content or library content for these streamers is equally important.

Anjali Midha:

I completely agree. And I would go a step further in saying it's even the family and kids content that actually plays an incredibly sizable role in what's being viewed in between those blockbuster Bridgerton moments. We don't often talk about that family and kids content, but especially looping back around to the first question that we all were digging

into about the pandemic, kids and family content this past year has been absolutely essential when you have the whole family packed in the home, everyone trying to juggle work and school and everything else. The aspect of balancing the library from the big blockbuster, the shiny glossy, fun new stuff, it's going to be something we're all going to have to learn how to do together because every platform has their own approach to that.

Chitra Ragavan:

Yeah. John, you have the CSI franchise, you've got some of these big franchises. Tell us a little bit about what you have and what it's been like to see this evolution of the industry and where all of these big shows fit in and how it's affected your investment company.

John Mass:

Well, it's certainly been a great beneficiary of the CSI franchise. It's a brilliant show that has had an incredible run, both in original episodes and in reruns, and now we'll be coming back, I believe in the fall or mid season, with a new show with the original cast from the original CSI, which was based in Las Vegas and they're going to call this one CSI Las Vegas. We're going back. Brands mean something, familiarity means something and it's a proven commodity, as opposed to starting something with a new original idea, with new cast and not knowing where that will take you. I think that there is a built in audience and a built in, I think while there's no guarantee of success, you have certainly have the cards in your favor if you start with this, brand name and stars who've been proven in this milieu.

John Mass:

We're fortunate that we own something like CSI, we own other big franchises in the feature film and television area, big movies like Black Hawk Down and Daddy Day Care and 13 Going on 30 and Made in Manhattan, and you think about all these films, The Aviator, it goes on and on, but there's something there for everyone. They are movies you probably don't think about all the time, but then when I bring up a movie like 13 Going on 30, you go, "Oh, that was a great movie." I think many people sort of discovered Jennifer Garner watching that movie. She's had an incredible career since then. There were a lot of movies that we own, and fortunately, the audience continues to flock to them.

Chitra Ragavan:

I was on HBO Max yesterday and I saw for the first time the teaser for a Friends reunion, and I was like, "Wow, that's nostalgia." I mean, that was crazy. I'm not sure I want to see them back together. I like remembering them the way they were.

Anjali Midha:

It's remarkable. Friends is one of those unique ones that stands out, like The Office, in that these are shows that meant something to a certain generation or cohort of people, and then to John's point, we've had tons of other generations, other groups discover those programs on their own and love them. Basically, I sometimes I think of these reunions specials, reboots, things like that, recognizable brand names, recognizable talent, it de-risks a lot of the investments that are being made. Because again, you can look at these choices as individual choices to, for example, reunite the Friends cast, but you also have to think about what is the sort of overall programming strategy for a platform like HBO Max? They have to have something new every month to make sure that they're mitigating, essentially, subscribers from churning out, essentially unsubscribing from the platform.

Anjali Midha:

These choices, when you look at them, if you take a step back and look at them from that 30,000 foot view, it's fascinating to see how they all ladder up to that bigger strategy. And to your point, I don't know, I'm on the fence right now about whether I'm going to watch it on the first day, first minute when it's available or maybe sit back and see how people react to it before jumping into it. But it really speaks to an overarching, very interesting approach to programming, to making sure that there's always something new and fresh on the platform. I think it was Netflix who said every night is premiere night for Netflix because there's something new for every person every night for you to discover, whether it's part of that library or whether it's something fresh, hot off the presses. I thought that was a very sort of telling about the underlying strategy that they're using to approach how they think about purchasing content, licensing content, producing content, et cetera.

Chitra Ragavan:

Wow. It's just head spinning, the change and the amount of content, the change in how people are consuming that content, it is quite amazing. I mean, you mentioned earlier, John, you mentioned how people were asking when COVID hit, "Is this the end of the movie theater? What's going to happen to watching movies in the theater?" Of course, now you have same day theater release and in-home release. There's all kinds of innovation going on there. What do you think, where does the movie theater fit into the future once we go back to the new normal post pandemic?

John Mass:

Well, as a romantic about the movie business, I certainly hope people go back to the movie theaters. Like I said earlier, where would you want to see the... I remember going to see Star Wars for the first time in a movie theater in my hometown, and I'll always remember that. Seeing on the big screen and seeing the imagery that the George Lucas was able to create, a Western set out in space was just so fascinating to me. I just couldn't imagine seeing it on a small screen and premiering that in my living room, even on the big 80 inch TV that I have today. It's just not the same. I haven't seen the King

Kong-Godzilla movie, because I want to see it in the movie theater, I wanted to see it in a movie theater.

John Mass:

I'm sure it looked great and people enjoyed it certainly, but they also saw... a lot of people are going into the movie theaters to see that now because they realized that seeing it at home just wasn't going to be the same. I think it was the first big release to work. I did not go and watch Wonder Woman. I was hoping the movie theaters would open up earlier than they did so I could see it at a movie theater and it didn't. I hope it comes back. I guess I'm sort of thinking right here what will happen. Again, I don't think it's going to get to the 2019 levels this year, certainly not. We've gone a half a year and they've been pretty much closed, but I do think that they'll come back, people are going to go back in droves, but I also think we're going to see a number of screens, movie theaters just aren't going to make it.

John Mass:

We've already seen a couple go... two chains here in Los Angeles that haven't made it, there's one, the Alamo Drafthouse who went through a bankruptcy, just was bought out of bankruptcy. I think a lot of screens, we're going to have a downsizing in the number of screens, but maybe an increase in the experience that people have at the theaters. Maybe that's what's needed, a shake up is sometimes good, change is good. Maybe the experience will be better for everyone. We'll have to see.

Anjali Midha:

Yeah, I think what's really interesting is, there were... it's funny to think about "are people going to go back to the movies?" If you think about pre-pandemic times, there was always a cohort of people who chose not to go see certain films in the theaters. There were definitely the people who stood in line and went at midnight on Thursday night. But there was also the group that said, "Nah, I'll wait for it to come out in the olden days on video, or I'll wait for it to come out on TV or what have you." I think we're just going to see that those options are collapsed, and instead of waiting six months or eight months, we may only have to wait 20 days, 30 days, 45 days, whatever the case may be to get the at home variation of the option.

Anjali Midha:

Or in some cases, like what HBO Max is proving out right now, is having them simultaneous where people can opt to go and have the full movie theater experience and pay for that, whereas some people may opt to watch it on their couches at home. The question really becomes: what does that do to the economics of the movie theaters? How many of them can we sustain? That that's less clear, I think, but we've definitely seen that people are willing to pay extra to watch things on their couches, but that they're also still willing to take the trek to the theater to watch, especially the

spectacular action adventure movies that really deserve that big screen. I guess that was not a very good answer because I'm not really predicting anything that hasn't happened yet, but I think it's clear that all of the options that are here on the table right now, it's just going to be a slight question of timing to make sure that we can figure it out post pandemic and give each of those screens their fair share of airtime.

John Mass:

Yeah. You know what I think we might see? Here's a prediction.

Anjali Midha:

Okay.

John Mass:

And I'm going to say it to someone who is in the research business, Anjali, but I think that we may see someone introduce dynamic pricing like they did on Broadway. If you are the type of person that's going to line up on Thursday night to go see the next Star Wars iteration or whatever the next movie, big franchise movie might be, you might be the person who's willing to pay more than \$17.50, or whatever the going rate is, for a ticket to go to the theater. And if you're someone who's willing to go on a Tuesday afternoon to a movie, you might be willing to pay \$3. And that sort of dynamic pricing of paying maybe \$100 for opening night and \$3 for a dead afternoon will make the industry more efficient, just like the, I guess, dynamic pricing of sorts has occurred in airlines. All of a sudden now airlines are profitable, right? Why? Because they've introduced technology that allows people to pay on an à la carte basis for certain things, fill seats, predict demand, and they're now making money and they're filling all their planes and they're not having a lot of planes with empty seats.

John Mass:

I think that could happen. The pandemic, I think for all, as we talked at the beginning, all the bad things that have come from it, there is some good, there's some silver lining. I think the collapsing of these windows is interesting and maybe better for some of these companies. Even things not in the entertainment business, like Zoom and how it's helped distance learning or work from home or Postmates and GrubHub, how that's accelerated. There's some good things have come and have accelerated because of it. I think we may see that with movie theaters too. That yes, we're going to lose some of the movie theater operators, there are too many screens in certain theaters, the malls aren't what they once were, driving business. It was due for a shakeout and it's not been accelerated, but maybe, just maybe dynamic pricing or something like that may help it out.

Anjali Midha:

That's so interesting. Then it sparks this other thought that we've been battling around here internally at Diesel as well, which is, what if the movie theaters are an extension of the actual films you're going to go see? I think you mentioned this earlier about leveling up the actual experience of going to see the film. What if it's not the same thing that it's always been with buying a bucket of popcorn and sticky floors? If there's more fun to be had, especially I think for kids and family, if there's many Disneyland or Disneyworld in your backyard where you can go and see the next Frozen movie, that might also justify some of that dynamic pricing that you're talking about, where then it becomes more of an outing, more of an experience, something that's a little bit higher end than perhaps the regular movie going experiences that when we think of going to the movies, that's what we have in the back of our heads. there's definitely potential there as well.

John Mass:

Oh, absolutely. Just like the airlines, I'm just thinking out loud here, if you took a family of four to the theater, would be difficult during a school night, but on off hours, then could you put pricing together, which two buckets of popcorn, two candies and four drinks and with a ticket and put packages together? That will drive people, drive... as we know, a lot of the margin is in the food and drink at the movie theaters, at the concessions. It gets really interesting. I hope that that happens. There's a role these movie theaters play. It's not just romantic with me. I just think the experience is so special for certain movies, and hopefully, there'll be able to continue.

Chitra Ragavan:

That's great. I mean, that dynamic pricing is a great idea because the cost of going to the movie is pretty prohibitive for a lot of families today. If you actually add it all up, especially if you have a bunch of kids and they all want to eat. Almost wonder if you want a Las Vegas model where the food and drinks are free. I know that's where the margins are, but in Las Vegas, you can drink and eat as much as you want because they know they'll make it up with everything you're gambling away. I wonder if there's a way to make it a little bit more cost efficient but still maintain profitability and also accessibility for people for whom it may be prohibitively expensive.

Chitra Ragavan:

We can't wrap all this up without at least one mention, I think, of Baby Yoda, going back to television and how it was so transformative for Disney. Anjali, I remember you saying to me that not only do you do content analysis at the show level and the series level, but you also do content analysis at the character level. What are you seeing? I mean, Baby Yoda was kind of a very special moment for Disney Plus, right? What are you seeing in terms of evolution of characters and what people are looking for?

Anjali Midha:

Absolutely. It's one of my favorite things to remember from last year, or two years ago, rather, which feels like a century ago, not just because of the pandemic and all of the hardship that that brought, but also just, startup life makes you feel like time passes somehow faster and slower than reality. We actually started to look into characters right around the time that the Avengers End Game came out. We were curious and thinking ahead as to... at that point, Disney really hadn't talked much about what was the next chapter of the Marvel Universe going to look like. Every couple of years they share with everyone: "here's our three-year plan. Here are all the films you can expect your. Here are all the shows you could expect." And that was at the right towards the end of that chapter, if you will, or that phase of the Marvel Universe.

Anjali Midha:

We decided to go ahead and see what we could learn about all of the different characters within the Avengers to start essentially making predictions about which characters could potentially be spun off into their own storylines. I still recall even back then, and we're finally going to see it come true actually in a few short weeks, that everyone's favorite character, one of the most talked about characters that didn't already have his own or her own film series was Loki from the Thor film. And sure enough, it's not rocket science, but the characters who were well favored are now seeing that they are getting these series opportunities within the Disney Plus universe. We've seen WandaVision, we've seen Falcon and Winter Soldier and with Loki coming up, I think, this June.

Anjali Midha:

It's been very interesting. You mentioned Baby Yoda also. Baby Yoda is an interesting one. He took on a life of his own, didn't he? When we analyze data here, what we're trying to do is very responsibly reflect who the viewing audiences are of certain titles, of certain shows and movies. But even if you weren't watching the Mandalorian, everybody knows who Baby Yoda is, everyone's using the Baby Yoda memes. Even though it kind of made our lives a little bit more difficult here at work because we were trying to parse out "okay, well, when people are referring to Baby Yoda, what kinds of natural language processing or other techniques can we use to understand if this person was a viewer or not," but then beyond that it's clear that... and Disney is, they're incredible... I don't need to say this to anyone, but they know what they're doing.

Anjali Midha:

They're one of the ones out there who have been very thoughtful about this stuff from day one. It wouldn't surprise me at all if we started to see spinoffs similar to what we're seeing in the Avengers universe for all of their other universes as well. And that takes us right back to what we were talking about just moments ago, franchises, familiar characters and how important those are to the overall libraries of these platforms. It's such a use such an interesting strategy. Disney Plus has proven, in the short what, year and some months that they have been around, to be able to pick up as many

subscribers as they have is really a testament to not only the content that they're in the middle of producing and pushing out now, but the Disney vault, as everyone calls it.

Chitra Ragavan:

Great. Well, in conclusion, what I'd love to know is, what are you watching now? What are you both excited about and what are you looking forward to in the coming months? I have been riveted, like a lot of people, by Mare of Easttown. I just can't stop watching it. It's been an incredible short mini season of amazing acting and plot lines. What are you watching?

Anjali Midha:

Well, I have to confess that after you and I chatted a couple of weeks ago, that I started watching it myself, and I'm now right there with you, and I'm actually a little upset with you because of all the cliffhangers that I've now been held to. I was watching last week's episode and I won't ruin it for all of your listeners, but certainly with all the twists and turns that are there, I'm very eagerly awaiting this Sunday's new episode. Personally, hazard of our jobs here at Diesel is that we watch pretty much everything that comes out. I recently enjoyed the Mitchells and the Machines on Netflix, which as for kids and family content, was very well done, very hilarious. For anyone who hasn't seen it, definitely, if you need a laugh, that's something to check out. And I'm excited for Loki actually coming up because this has been on our minds here at Diesel for so long, and I have really high hopes for that show as well.

John Mass:

I've been watching Mare of Easttown too. It was recommendation engine, I guess, on HBO max, it came up. I had heard about it, seen some promos for it, and I'm like, "I'm going to watch it with my wife," and we loved it. I'm a Kate Winslet fan, she's such a great actress, but the whole cast is fantastic. But what I really like most about it, I'm wondering where you guys stand on it, is that as much as I love to binge watch and I can't wait to see what's going to happen next because there are cliffhangers on the show, there's a lot of cliffhangers here as you referenced, I like that I'm waiting a week for it.

John Mass:

It gives me time to think about the show, like "where's this going, who did it?" kind of thing. It's a who done it type of show. You're like, "Where is this going?" I like that. It's the old way of watching television, right? Waiting a week and thinking about it, having the water cooler effect for the three of us to talk about this if we weren't in the podcast and having... we don't want to have a spoiler alert on your podcast, but there's something special about it. I like waiting for it and I have really enjoyed it. That's one show. I've been watching Mosquito Coast on Apple, another one that you wait for... the episodes, they're delivered every week. I think Apple Plus has done a really good job

with some of the shows. I really have enjoyed it, like Tehran, which was early in the iteration. I liked Ted Lasso.

John Mass:

They've had some really great shows I've really enjoyed. I've loved during COVID, being at home a lot and watching a lot of television, discovering old shows that I always wanted to watch and didn't. I watched all the episodes of Deadwood. I'd watched a couple early on, I just never got into it and loved it. I watched all the episodes of The Wire. Between the two of them, two of the best shows ever made, I think. And they're on a top 10 list of many critics. I've really enjoyed it. I've watched a lot of television during the last year, and can't wait for this Sunday night for some more.

Anjali Midha:

I know we're wrapping up here, but you bring up such an interesting point with the whole cadence of delivery of programming and how important it is and how Mare of Easttown might stay with all of us as viewers longer than something that we just burned through in one night. I'm not sure I have the answer to that yet. I know technically, we're researchers here and that's what we do is find answers, but that's one that we haven't... I haven't quite cracked the code on that one yet, which is, are we going to learn down the line that the way to build a franchise and the way to build that familiarity is by having things released in a weekly cadence perhaps, or whatever cadence it is, but not dropped all at the same time?

Anjali Midha:

It reminds me actually, of one of the... I saw a tweet the other day from someone who said that their kid talked about weekly drops of TV shows as being the Disney Plus model. The person narrating the story said, "And then they crumbled into ancient dust," which I can completely commiserate with because frankly, the youngest generation out there probably doesn't even realize that that's the way that we watched TV for decades and decades until maybe 18 months ago when everything really changed, or I should give Netflix more credit than that. Maybe it's been a few years where we had some shows that are delivered all at once, but it's quite amazing how much, even in the... let's call it a 30 year spectrum of generations, how people are going to remember things completely differently.

Chitra Ragavan:

Yes.

John Mass:

I completely agree. It's a really great point. There is something you were saying about Disney, and I just was reminded of something. When Bob Iger took his position as CEO

at Disney, I think many people felt he had big shoes to fill because Michael Eisner had transformed a sleepy company into a real player. It had been a really sleepy company, Disney, when he took over and he transformed it. But Bob Iger really took it to a whole other level. The fact that they have a \$300 billion market cap company or whatever it is today is really a testament to Bob understanding the value of franchises. And when he was executing it, I didn't quite understand what he's doing, and I was thinking, "Wait, they're going to go away from making 25, 30 movies a year to focusing on franchises that were proven and leveraging those and putting it through the Disney machine of consumer products and theme parks."

John Mass:

At the time, I really didn't understand it, but as you think about it, his first move was getting rid of a Miramax because it didn't fit with the brand of Disney and buying Pixar. He bought... I mean, maybe he took some time to get rid of Miramax, but his first move was to mend the fences with Steve Jobs and buy Pixar because he understood that they were a brand Pixar was a brand as much as Disney was a brand, and you went to a Pixar movie because it was a Pixar movie. You didn't know what it was, what the movie might be, but you knew that you were going to get quality entertainment, family entertainment. Then he started going in their vault of old television shows and movies and recreating them, whether it's Pirates of the Caribbean or High School Musical or whatever, and doing iterations of that. Then he bought Marvel and he bought LucasArts, obviously Star Wars franchise, and franchise became the thing.

John Mass:

Now you realize what they've created. Look at Netflix, they have no franchise, albeit they're building franchises, but if they don't, they do a deal like Knives Out where they just paid for over \$400 million for two films, which is because they have to because they don't have the franchises that Bob Iger recognized. It was so wise of him so many years ago to understand that that's where the world was headed. We talked a lot about franchises on the show, but I think no one has executed it better or recognized it earlier than Bob Iger. And he's really set up Disney for incredible success, really incredible success.

Chitra Ragavan:

Well, on that note, thank you so much, Anjali and John for joining me on Tectopia and for this absolutely amazing conversation about the transformation of the entertainment industry.

Anjali Midha:

Thanks so much for having us.

John Mass:

Thank you.

Chitra Ragavan:

Anjali Midha is CEO and co-founder at Diesel Labs. The Cambridge, Massachusetts based startup focuses on cutting edge content analysis to help media companies address some of the toughest questions confronting companies today, including what to produce, where to distribute it and where to market it. And John Mass is the executive vice president at Content Partners, a Los Angeles based investment company and the leading independent owner in the world of major studio distributed films, television shows, and related media. Since its inception, Content Partners has invested more than \$1 billion in this marketplace with more than 500 studio release films and more than 3000 hours of television. This is Tectopia, I'm Chitra Ragavan.