Stream Wars

An interactive game to explore power dynamics emerging from negotiations between film and TV streamers, talent, and consumers

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Streamers continue growth in content spending

Content Spend Forecast: Linear TV vs. Streaming

Source: Company Reports, Wells Fargo - https://variety.com/vip/content-spending-levels-at-top-media-companies-2023-forecast-1235440145/
Note: Data reflects only media companies with linear operations
Streaming is maturing, hitting saturation in some markets and still growing in others (1)

Source: Diesel Labs - https://variety.com/vip/content-spending-levels-at-top-media-companies-2023-forecast-1235440145/
Note: Includes TV shows and movies; subsequent seasons of shows do not count separately.
2022E includes unreleased content through end of year; Paramount+ includes legacy CBS All Access content
Streaming is maturing, hitting saturation in some markets and still growing in others (2)

### Streaming Services by Subscribers in the World

<table>
<thead>
<tr>
<th>Service</th>
<th>Subscribers</th>
<th>As of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netflix</td>
<td>230,930,000</td>
<td>12/2022</td>
</tr>
<tr>
<td>Amazon Prime (est.)</td>
<td>200,000,000</td>
<td>09/2022</td>
</tr>
<tr>
<td>Disney+</td>
<td>161,800,000</td>
<td>12/2022</td>
</tr>
<tr>
<td>Tencent Video</td>
<td>124,000,000</td>
<td>12/2021</td>
</tr>
<tr>
<td>iQIYI</td>
<td>106,000,000</td>
<td>12/2021</td>
</tr>
<tr>
<td>HBO Max (est.)</td>
<td>81,000,000</td>
<td>12/2022</td>
</tr>
<tr>
<td>Hulu</td>
<td>48,000,000</td>
<td>12/2022</td>
</tr>
<tr>
<td>Paramount+</td>
<td>46,000,000</td>
<td>09/2022</td>
</tr>
<tr>
<td>Apple TV+ (est.)</td>
<td>40,000,000</td>
<td>12/2020</td>
</tr>
<tr>
<td>Eros Now</td>
<td>39,900,000</td>
<td>03/2021</td>
</tr>
<tr>
<td>ALTBalaji</td>
<td>34,000,000</td>
<td>03/2020</td>
</tr>
<tr>
<td>Globoplay</td>
<td>30,000,000</td>
<td>12/2020</td>
</tr>
<tr>
<td>Starz</td>
<td>27,300,000</td>
<td>09/2022</td>
</tr>
<tr>
<td>iFlix</td>
<td>25,000,000</td>
<td>03/2020</td>
</tr>
<tr>
<td>ESPN</td>
<td>24,900,000</td>
<td>12/2022</td>
</tr>
<tr>
<td>Canal Plus</td>
<td>23,700,000</td>
<td>12/2021</td>
</tr>
<tr>
<td>StarTimes</td>
<td>20,000,000</td>
<td>06/2020</td>
</tr>
<tr>
<td>Peacock</td>
<td>20,000,000</td>
<td>12/2022</td>
</tr>
</tbody>
</table>

*Source: FlixPatrol - https://flixpatrol.com/streaming-services/subscribers/*
As a result, power dynamics between streamers and talent are changing fast

• Demands for exclusivity

• Long-term deals for multiple projects

• Upfront payments, instead of sharing potential upside

• Focus on Intellectual Property control
Why does a talent agency need a game?

• We sit at the intersection of talent and platforms
• Facing fast change and disruption
• Need to build **systems thinking** skills quickly
• Diverse teams with diverse backgrounds
• Limited time for training
• Teambuilding is an important objective
• Data use is on the rise, but we’re still at the event level of the iceberg – need to build strategic, long-term thinking skills

"We are here"

Source: https://www.researchgate.net/figure/Systems-thinking-iceberg-model_fig1_327262141
“Stream Wars”:

- A live simulation game, inspired by the Beer Game, to explore the dynamics of competition and content creation in the video streaming industry

- Hands-on exploration is more effective than lecturing about dynamics

- A way to visualize and experience future scenarios that will impact the work we do over the next 3-5 years
“Stream Wars”:

• Explores the balance of power among Streaming Platforms, Talent and Consumers

• Shows strong dependence on initial conditions

• Material flows and information flows, in the form of filmed content and money/pricing signals
Four Teams, 32 people in total

Objective: Earn the most money for your team over 10 rounds

Consumers

“Watch” as many titles as possible to improve their odds of winning the endgame award

In every round:
• Decide which subscription to buy
• Get a salary from the Bank

Studio+

Each platform starts with seed money and a catalog of premade titles to launch their service

In every round:
• Decide a price for their subscription
• Decide how many titles to buy from Talent, and how much to pay

Platformix

Talent

Talent starts with no money, just art supplies (starving artists)

In every round:
• Make as many titles as possible (represented by movie posters drawn on 3x5 index cards)
• Negotiate with the Platforms to sell titles
Endgame: Awards Season

• Gameplay element needed to motivate consumers to watch as many titles as possible

• Compare:
  • Top 5 Titles selected by Consumers
  • Top 5 Titles selected by Talent

• If at least one title is on both Top 5 lists, a cash award is issued:
  • $500 to the Consumers’ Cash Pool
  • $1000 to the Talent Cash Pool

• The team with the most money at the end of the game wins
Some Dynamics at work:

Success to the Successful

```
+ success of A → resources to A → +
\- allocation to A instead of B → -
+ success of B → resources to B
```

“The more subscribers you get, the more money you make”

Limits to Growth

```
+ growing action → condition → \- slowing action
+ limiting condition
```

“We can’t make titles fast enough!”

Escalation

```
+ A’s results → \- results of A relative to B → +
+ activity by A
+ B’s results → activity by B
```

“Our competitors are paying more for titles! We must pay the Talent more!”

Source: https://en.wikipedia.org/wiki/System_archetype
Success to the Successful:

“The more subscribers you get, the more money you make”
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"We can't make titles fast enough!"
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Platformix

Cash

Price Reduction

Platformix

Subscribers

Price Attractiveness

Platformix Library

Attractiveness

Money offered to Talent by Platformix

Titles Requested by Platformix

Titles In Progress

Money offered to Talent by Studio+

Titles Requested by Studio+

Titles Available for Studio+

Titles Available for Platformix

Gap between Requests and Capacity

Talent Capacity

Delay

Resources to buy more/better titles

Titles Available for Platformix

Title Available for Platformix

Gap between Requests and Capacity
A simulation model was used to test initial conditions and ensure fair gameplay
Game Results
Early round negotiations...
The Talent’s creative process
Platformix signing up a subscriber
Studio+ putting up a fight!
Josh (from Platformix Productions) tried to get around Becca, the agent. It got heated
Accounting Sheets (it got messy quickly)
Game Results: Title inventory

The game was ended early after 7 rounds.
Game Results: Price per Subscription
Game Results: Cash Balance for each team

Cash Balance at end of each round

Talent wins!
Endgame and Key Insights

• None of the Consumers’ Top 5 titles coincided with the Talent’s Top 5 titles, so no cash award was issued

• Key insights:
  • Information flows were imperfect: Talent did not have data to understand what the consumers wanted
  • Path dependence: Early negotiations determined the fate of the platforms
  • Time delays: Longer playtime would have led to different outcomes
Thank you!
References

• Arango Aramburo, Santiago et al. *Laboratory experiments in the system dynamics field*. System Dynamics Review, 28, 94-106, (2012)

