

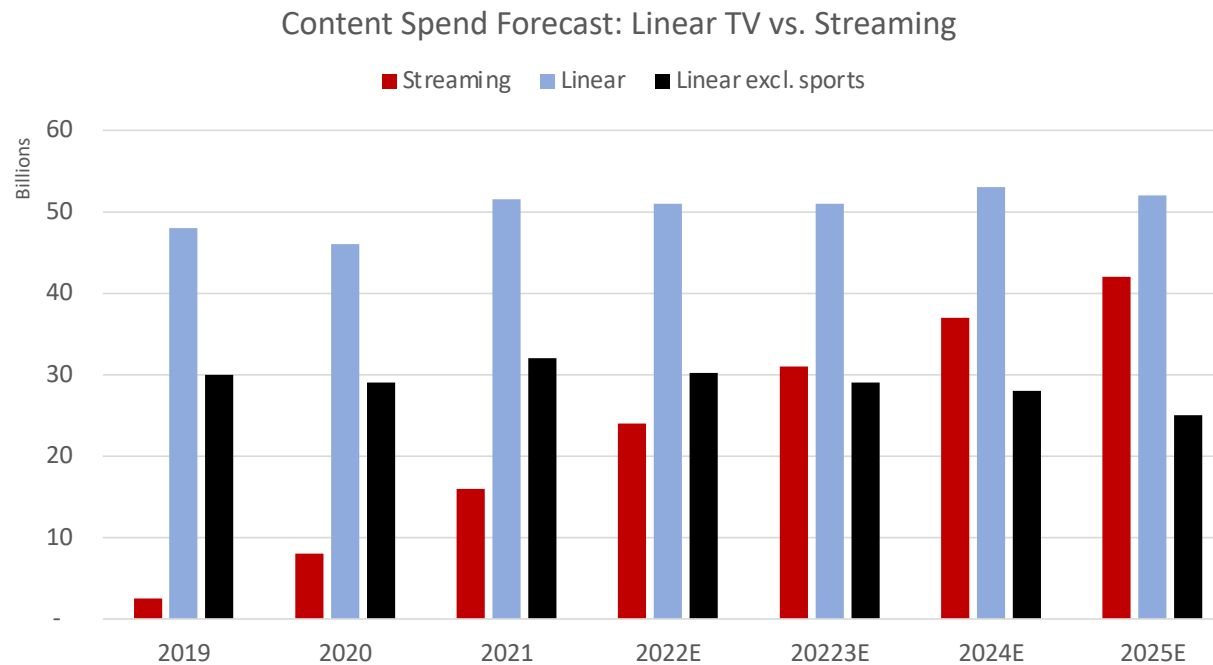
Stream Wars

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

Carlos Ariza

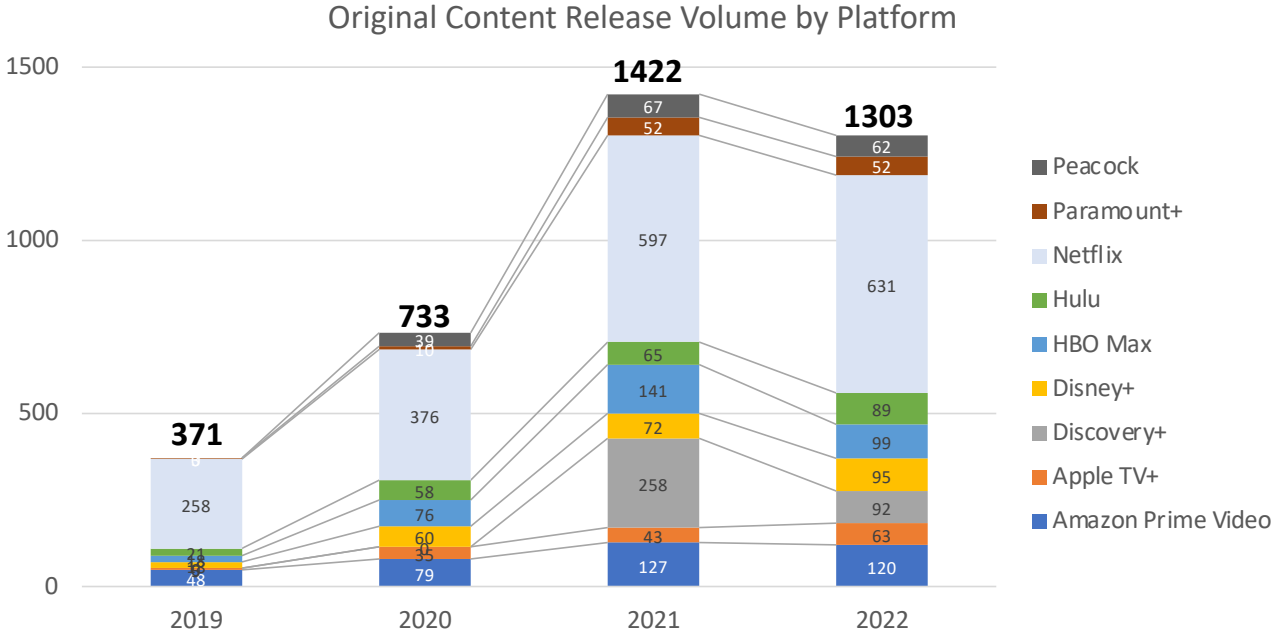
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Streamers continue growth in content spending



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

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

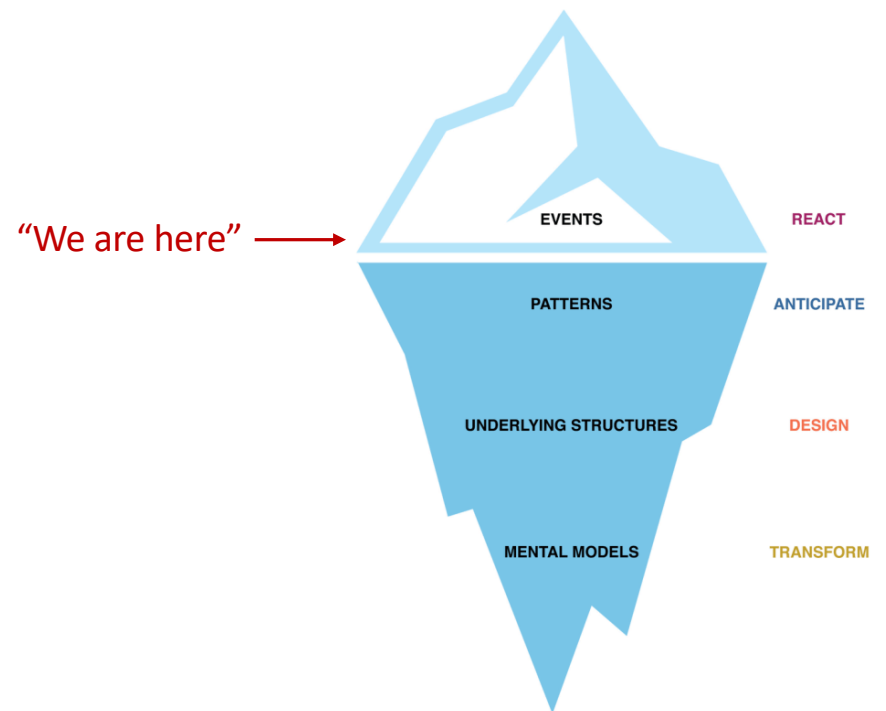
Source: FlixPatrol - <https://flixpatrol.com/streaming-services/subscribers/>

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



Source: https://www.researchgate.net/figure/Systems-thinking-process-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



Studio+



Platformix



Talent



“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

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

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

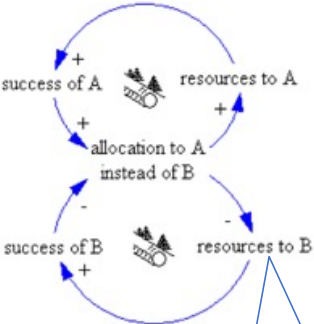
- Gameplay element needed to motivate consumers to watch as many titles as possible
- Compare:
 - Top 5 Titles selected by Consumers
 - Top 5 Titles selected by Talent
- If at least one title is on both Top 5 lists, a cash award is issued:
 - \$500 to the Consumers' Cash Pool
 - \$1000 to the Talent Cash Pool
- The team with the most money at the end of the game wins



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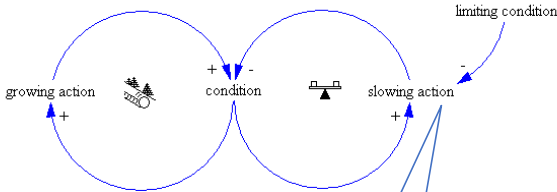
Some Dynamics at work:

Success to the Successful



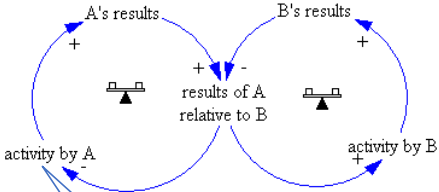
“The more subscribers you get, the more money you make”

Limits to Growth



“We can’t make titles fast enough!”

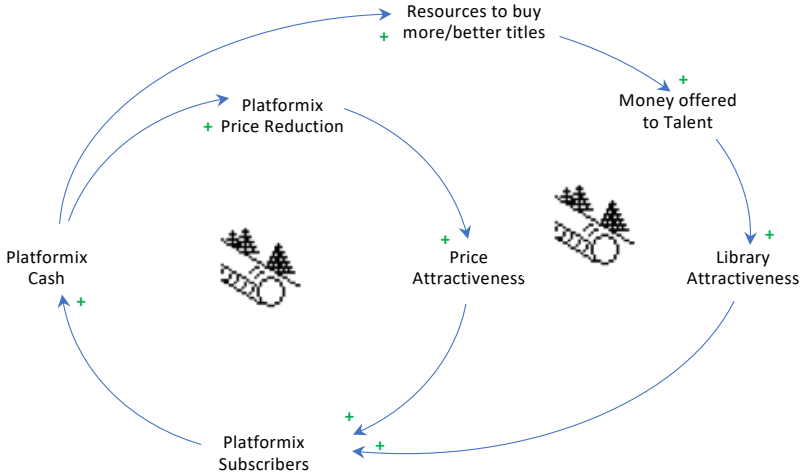
Escalation



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

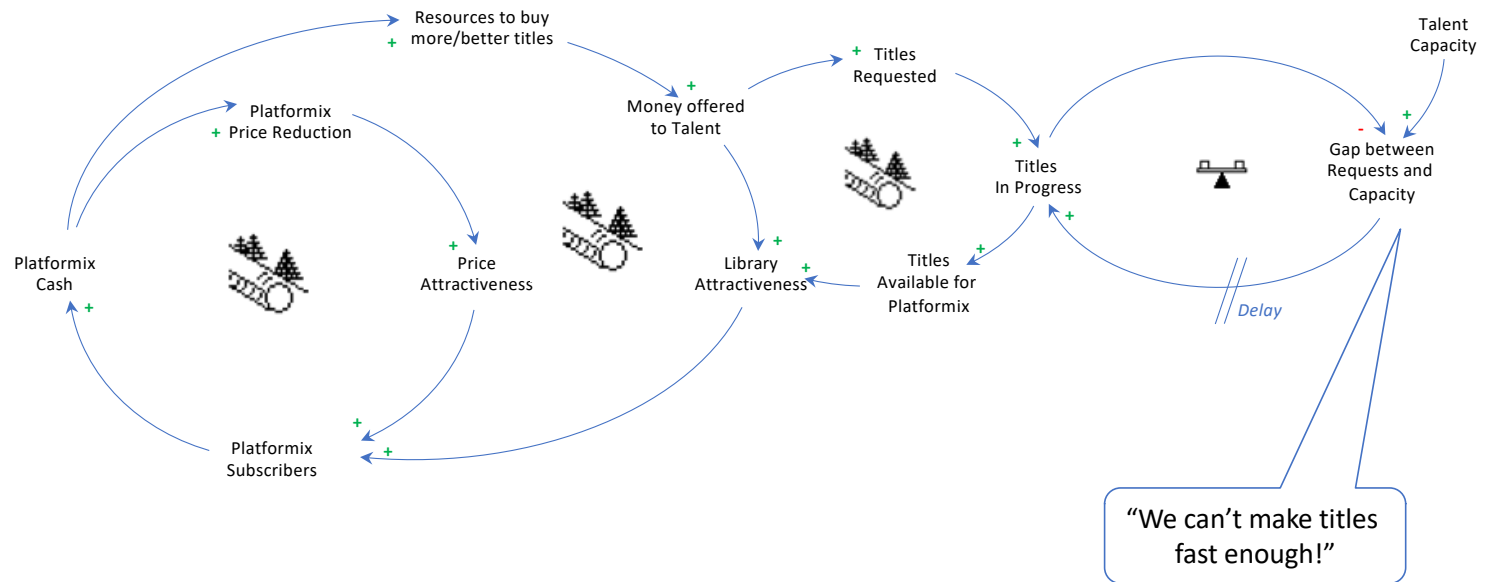
Source: https://en.wikipedia.org/wiki/System_archetype

Success to the Successful:

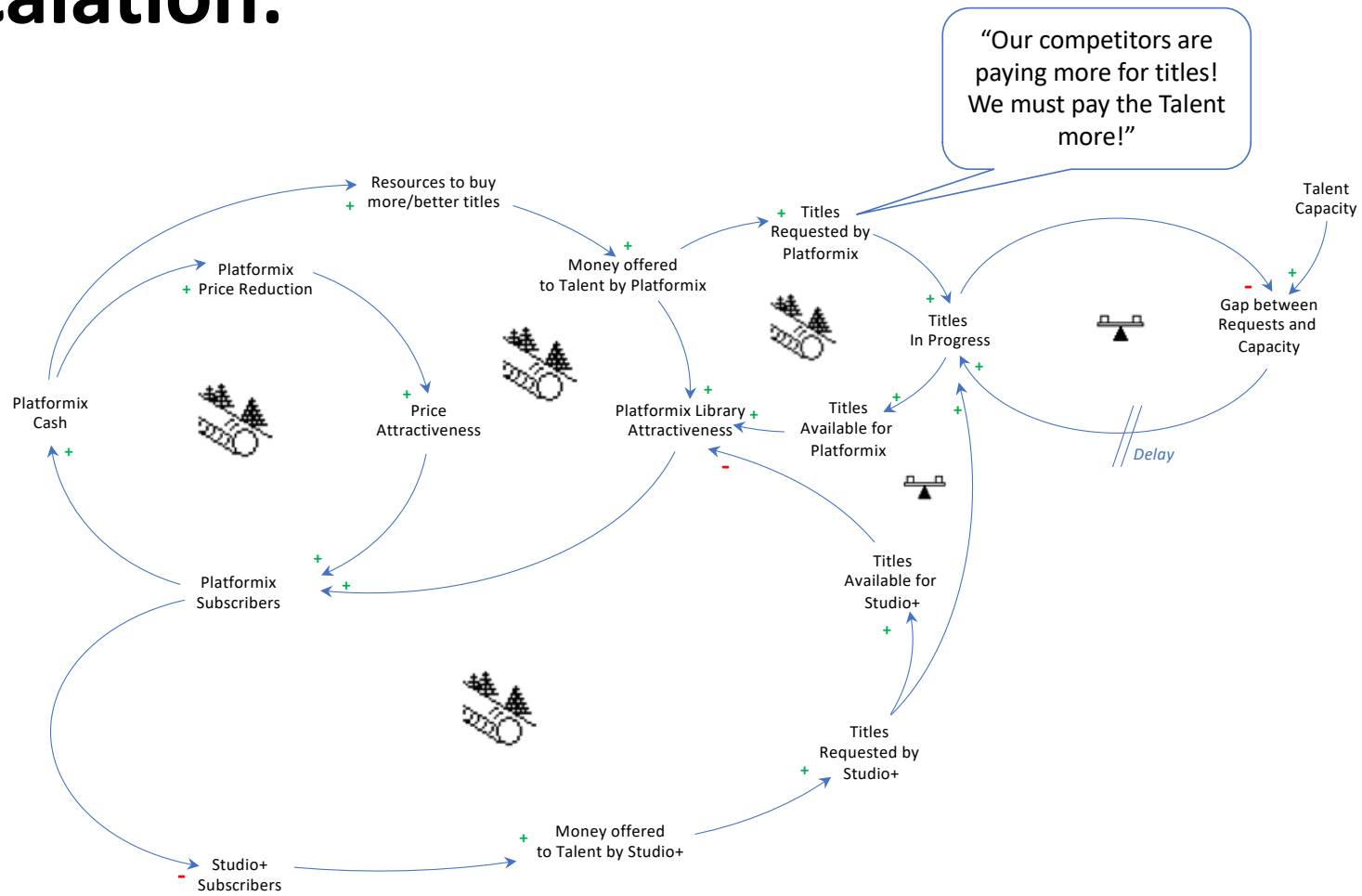


“The more subscribers you get, the more money you make”

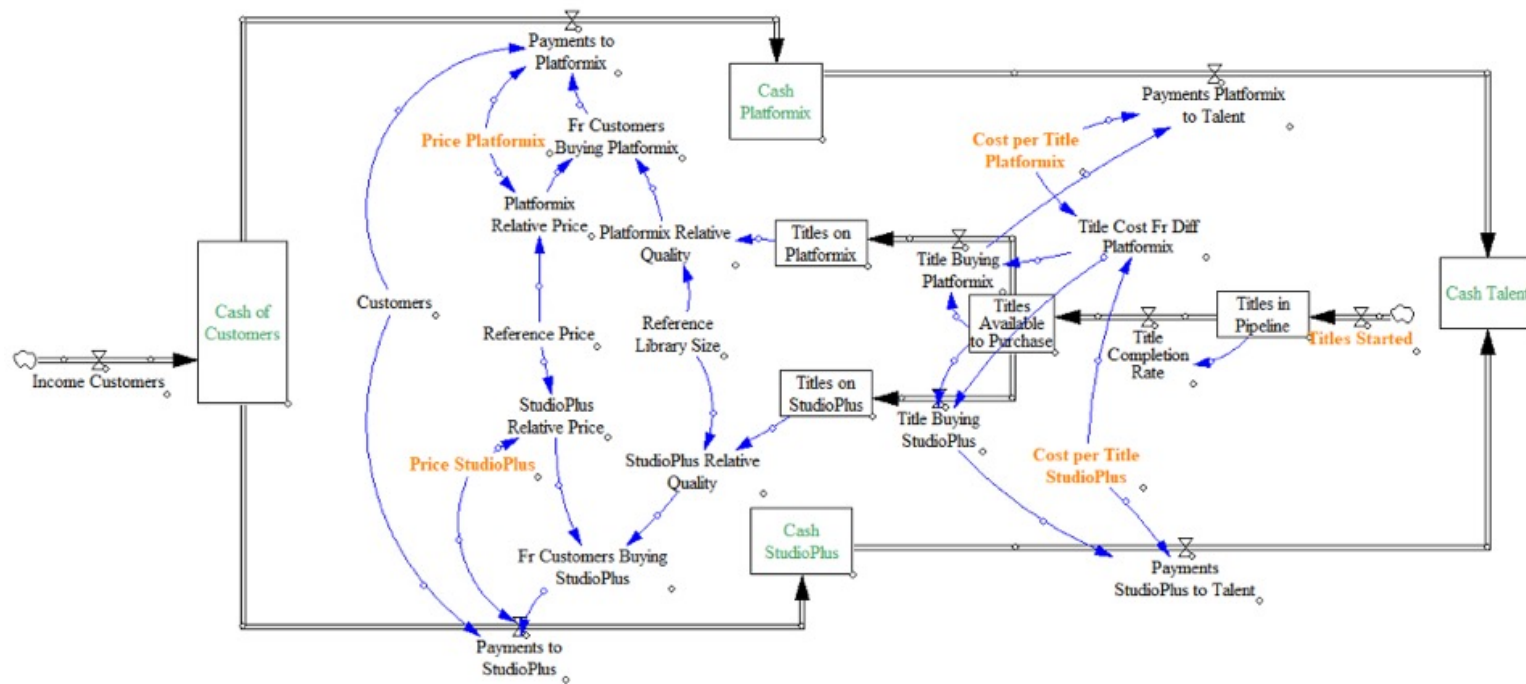
Limits to Growth:



Escalation:



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)

Platformix:
Pricing, inventory and cash balance

Round	PRICE PER DESCRIPTION	INVENTORY COUNT OF TITLES	CASH BALANCE AT END OF ROUND
1	\$-1,400	8 15	\$1,037
2	\$10	15	\$097
3	\$15	31	\$710
4	\$10	31	\$720
5	\$10	32	\$560
6	?	?	\$620
7			\$700
8			
9			
10			

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Talent:
Price, Titles and Cash balance

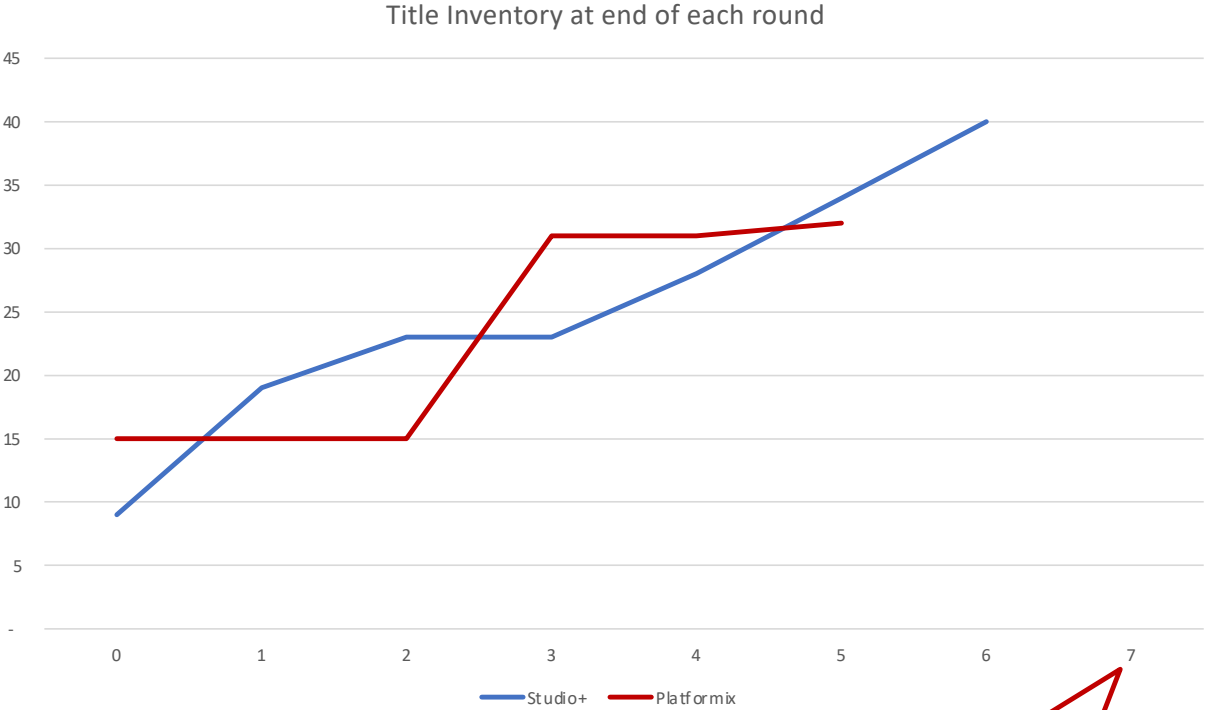
Round	PRICE PER TITLE SOLD TO Platformix	PRICE PER TITLE SOLD TO Studio	SET OF TITLES MADE IN EACH ROUND	CASH BALANCE AT END OF ROUND
1	32.33	15		500
2	30	15		900
3	25	3		910
4	25	3		1065
5		4 + 1		1250
6		1		1250 + 100 = 1350
7		430 + 43		1350
8				
9				
10				

Studio+:
Pricing, inventory and cash balance

Round	PRICE PER DESCRIPTION	INVENTORY COUNT OF TITLES	CASH BALANCE AT END OF ROUND	Notes
1	10	7	270	700 start
2	$3/5 \times 10 + 2/5 \times 10$	19	387	300 invested
3	$1/2 \times 10 + 1/2 \times 10$	23	474	0 invested
4	$2/3 \times 10 + 1/3 \times 10$	23	322	90 invested
5	$1/2 \times 10 + 1/2 \times 10$	28	299	60 invested (before)
6	$1/3 \times 10 + 2/3 \times 10$	34	853	25 invested
7	$1/2 \times 10 + 1/2 \times 10$	~40	291	70 invested
8				30 invested
9				
10				

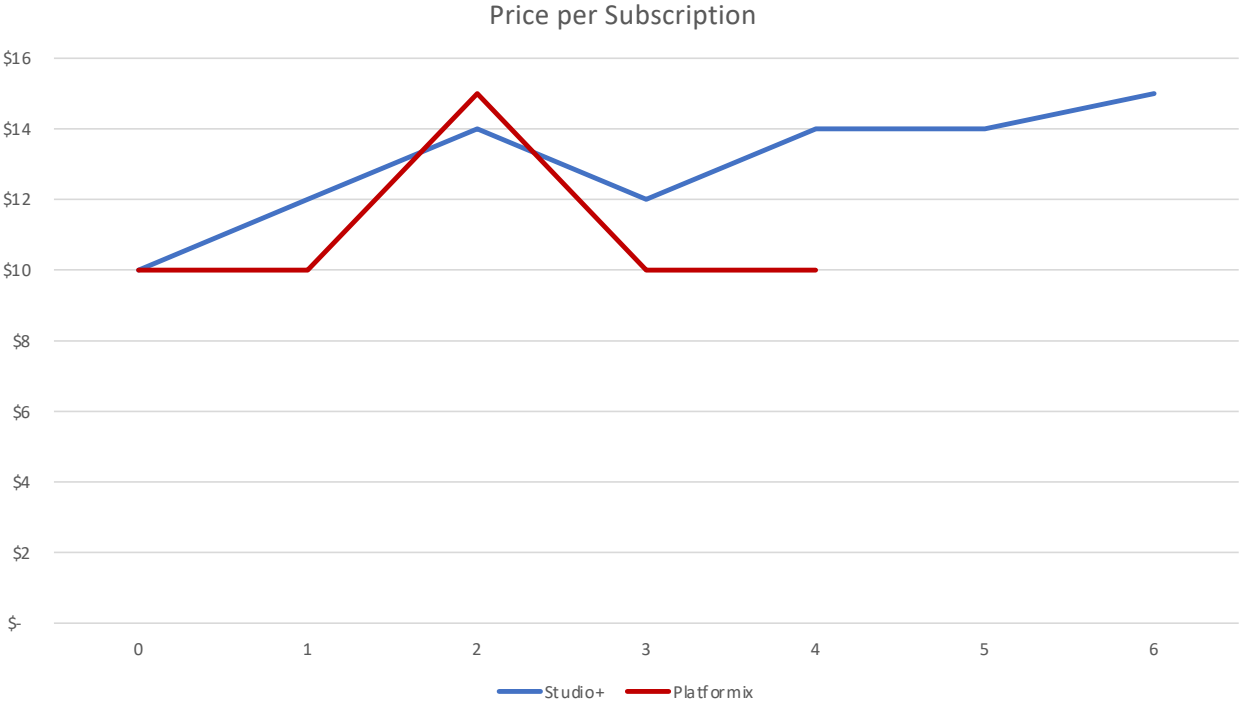
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Game Results: Title inventory

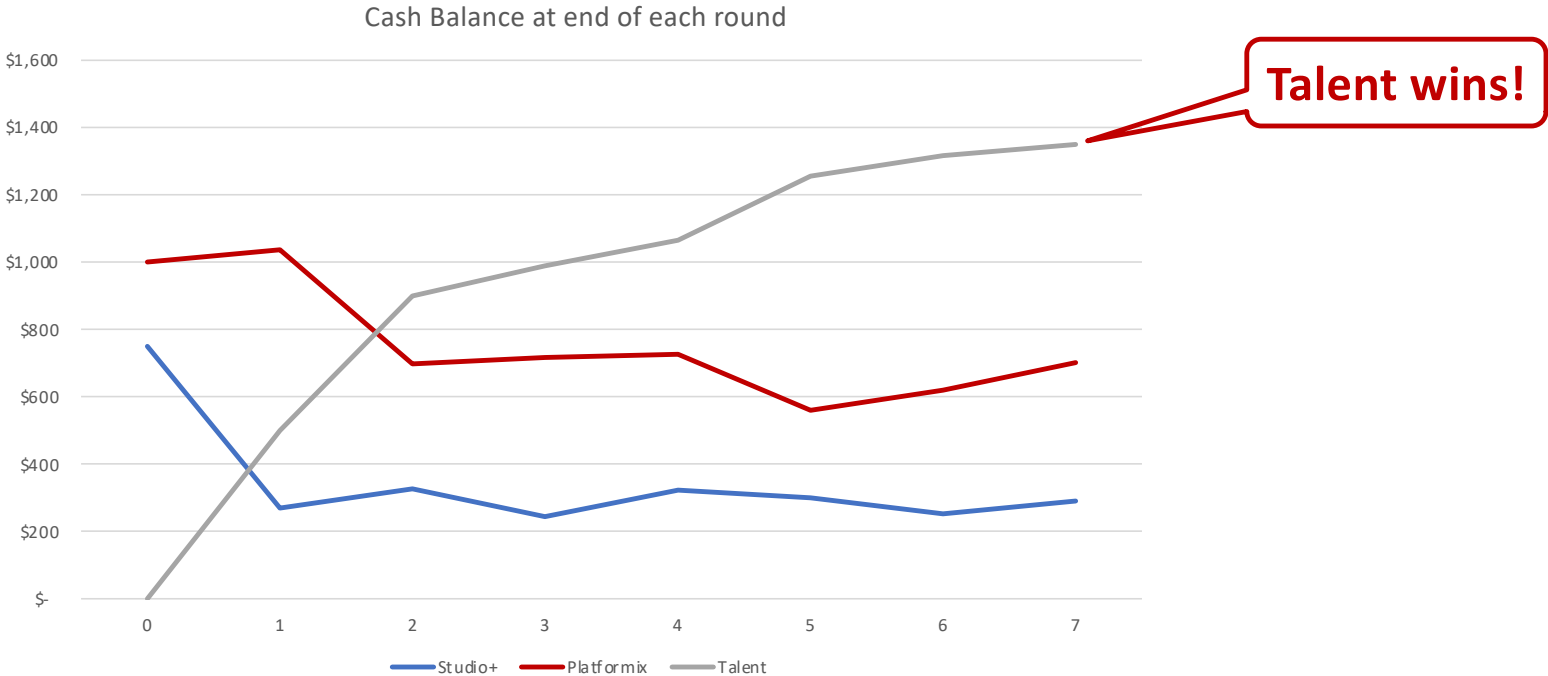


The game was ended early after 7 rounds

Game Results: Price per Subscription



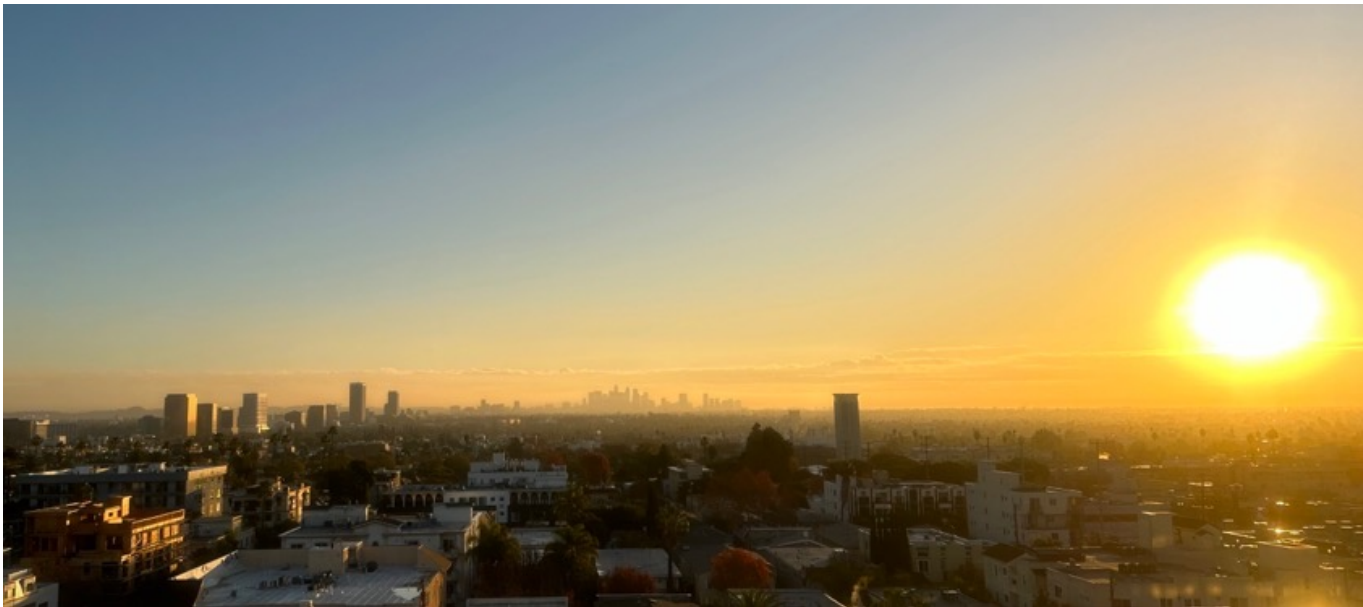
Game Results: Cash Balance for each team



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)
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