



# Demand Measurement System Guide

## What is Demand?

The first question is, of course, what is this “demand” that we’re measuring? Demand for content — in this case, television content — is essentially the dictionary definition: it is the **desire, engagement and viewership by consumers for a particular commodity**. Demand for television content is what drives transactions and consumption on all platforms, such as linear TV, TVOD or SVOD services.

## How is Demand measured?

Consumers express their demand for television shows through what we call “demand expression platforms”, including video streaming, social media, photo sharing, blogging and micro-blogging, fan and critic rating platforms, peer-to-peer protocols and downloading/streaming sites. We capture the empirical expressions of demand from all of these sources and combine them into one distinct measure of demand called **Demand Expressions®**. By using this same metric, we derive **Demand Expressions® per capita**, to enable cross-country comparisons of demand.



Consumers



Empirical Expressions of Demand

DemandRank™

Monetary Expressions	WEIGHT OF DEMAND	↑ Higher ↓ Lower
Creative Participation		
Active Consumption		
Deep Research		
Social Encouragement		
Public Posting		
Expressing an Opinion		
Subscribing to Updates		
Indicating Interest		
Passive Impressions		



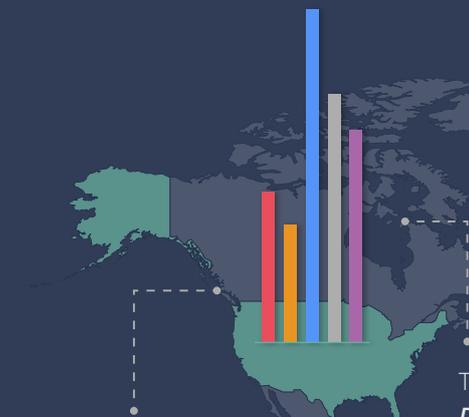
Demand Measurement Algorithms

Demand Expressions®

Demand Expressions® per capita

# What are Demand Expressions®?

**Demand Expressions®**: the total audience demand being expressed for a title, within a country, on any platform. Designed to compare the demand for titles within one country.

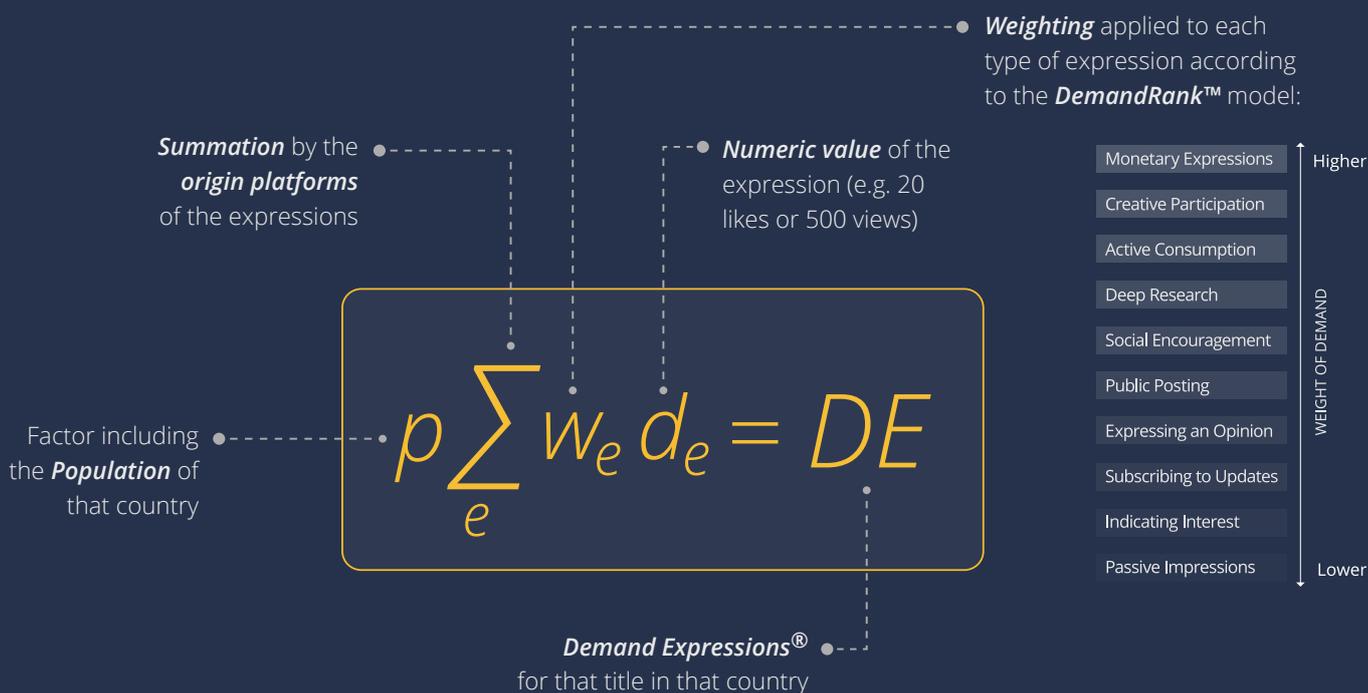


**Demand Expressions®** are only comparable within a single country, as its algorithm includes a **population factor**.

There is no limit to how many **Demand Expressions®** a title can generate.

**Demand Expressions®** are never comparable across markets, e.g. a below-average show in China may have many times more Demand Expressions® than the most in-demand show in New Zealand.

The high-level formula for the **Demand Expressions®** for a certain title in a certain market:



# What are Demand Expressions® per capita?

There is no limit to how many **Demand Expressions® per capita** a title can generate.

**Demand Expressions® per capita**: the total audience demand being expressed for a title, within a country, on any platform, per 100 capita. Designed to compare the demand for titles between countries.

**Demand Expressions® per capita** allows for an easy comparison of content popularity across all markets, by scaling the **Demand Expressions®** metric according to a country's population.

The **Demand Expressions® per capita** metric is designed to enable fair comparison of content between markets:

**Summation** of the Demand Expressions® for a certain title in a particular country

**Scaling factor** used to make the metric easier to read when dealing with long-tail content with low demand

The default for **n** is 100

$$DE \times \left( \frac{n}{p} \right) = DE_{per\ n\ capita}$$

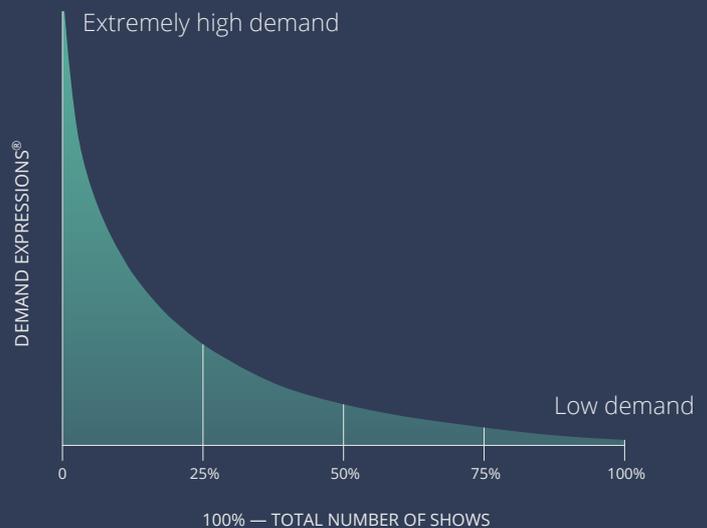
Country's **Population**

**Demand Expressions® per n capita** for a certain title that is comparable across all markets

# Understanding Demand Expressions®



If we rank all the titles within a market by their **Demand Expressions®** and plot the result, a familiar **long-tail distribution** appears, which is a well documented pattern observed in empirical data.



## DEMAND EXPRESSIONS®

*An absolute measure of demand within a market*

Country	Title	Demand Expressions®
Germany	Mr. Robot	3,205,222
Germany	Orange is the New Black	2,819,342
Germany	Sense8	807,560
Germany	Star Trek: The Next Generation	620,734
Germany	Misfits	322,486

Using **Demand Expressions®** it is now possible to quantify the absolute demand of any titles with a market. For example, *Mr. Robot* had almost 4 times more demand than *Sense8* in Germany on 10<sup>th</sup> January 2017.

**Demand Expressions®** for each title in Germany were calculated taking into account expressions from that single country and including the country's population.

## DEMAND EXPRESSIONS® PER CAPITA

*A relative measure of demand across markets*

Country	Title	Demand Expressions® per capita
Australia	Orange is the New Black	14.85
France	Orange is the New Black	9.20
United States	Orange is the New Black	9.03
Germany	Orange is the New Black	8.74
South Korea	Orange is the New Black	7.09

If *Orange is The New Black* has **14.85 Demand Expressions® per capita** in Australia and **7.09** in South Korea, you know that Australia has more than twice the demand compared to South Korea.

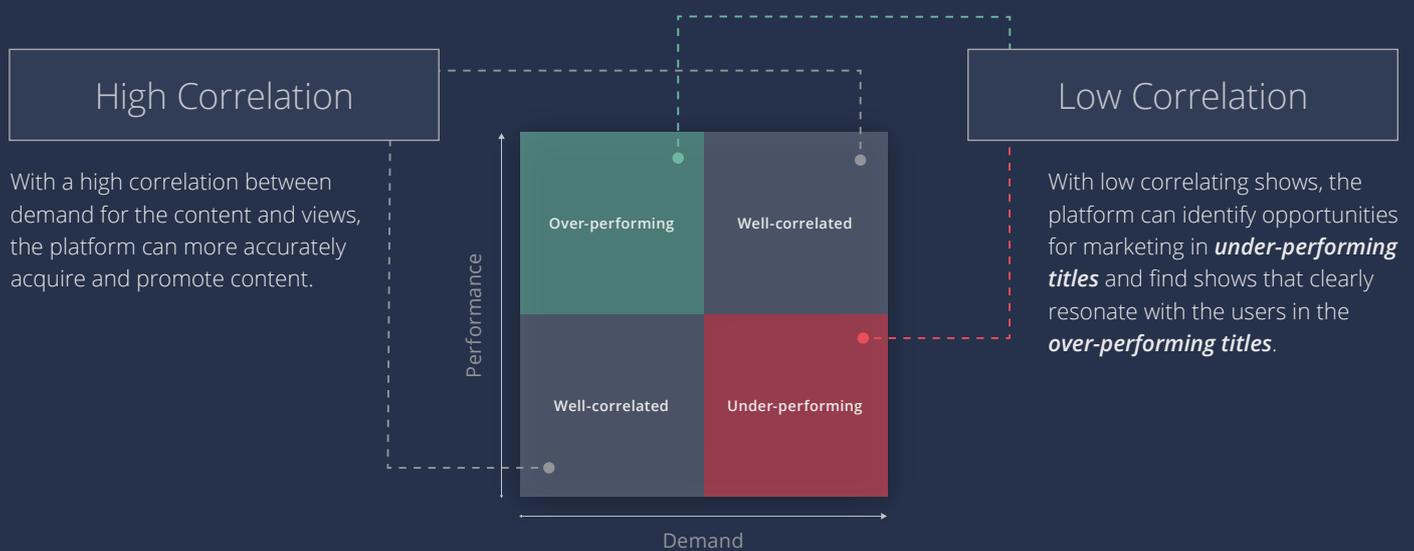
**This is a fundamental paradigm shift** because before **Demand Expressions® per capita** it was not possible to benchmark audiences for shows airing on different platforms in a country-specific way.

# How can Demand Measurement improve your business?



We and our customers have found that **the value Demand Expressions®** is revealed both when they correlate and when they diverge from other measures of performance, such as viewership or revenue.

For example, a content seller can plot the demand for their titles against their revenue in a certain market to determine which titles are over-performing and which they should license for more money. Likewise, an **SVOD service can do a similar analysis with views on their platform:**



**Cross-platform global demand measurement** enables **Customers** to stand out and succeed across the value chain:

<b>Studios</b>	<ul style="list-style-type: none"> <li>• Understand competitive landscape in the entire TV content universe</li> <li>• Optimize content pricing for all international markets based on empirical demand</li> <li>• Prepare country-specific bundling strategies</li> </ul>
<b>Broadcasters</b>	<ul style="list-style-type: none"> <li>• Find and select the best content for the market</li> <li>• Acquire and retain specific demographic audiences based on what they want to watch</li> <li>• Improve marketing strategies and increase ad sales revenues</li> </ul>
<b>OTT</b>	<ul style="list-style-type: none"> <li>• Select the best content to deliver on your business strategy</li> <li>• Gain competitive advantage of your portfolio</li> <li>• Tap into world's best discovery &amp; recommendations</li> </ul>
<b>Advertisers</b>	<ul style="list-style-type: none"> <li>• Understand your ideal audience</li> <li>• Improve marketing and promotion campaigns</li> <li>• Deliver the best ads against TV content</li> </ul>
<b>Content Investors</b>	<ul style="list-style-type: none"> <li>• Bankroll most lucrative ROI opportunities</li> <li>• Track content portfolio performance vs stock price</li> <li>• Play content investment moneyball</li> </ul>

*For the first time, the television industry is no longer tied by the limitations of measurement in a rapidly fragmenting marketplace.*

*Demand Expressions® can also be averaged across genres, channels, etc. to provide **deeper and varied insights tailored to individual customer needs**. Knowing the demand for content allows for empirical content acquisition, licensing and advertising decisions to be made, with a full picture of the state of content demand in any given market.*

*Gaining insights into the actual demand for content, no matter the platform or market, is a game-changer in the content universe.*



**ASIA PACIFIC**

Level 13, 99 Albert Street  
Auckland 1010,  
New Zealand

**NORTH AMERICA**

9465 Wilshire Blvd. Suite 300  
Beverly Hills, CA 90210  
United States



[contact@parrotanalytics.com](mailto:contact@parrotanalytics.com)

1 877 624 7109