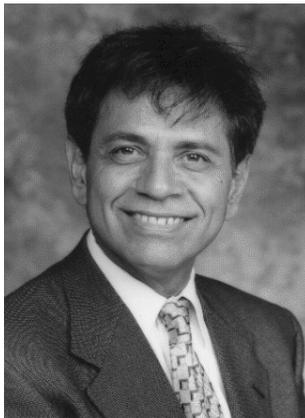


“It’s now a world where we can use the same tools to make a major motion picture that we use for home movies. The chip in the camera that you use to take a picture of your kid and send it over the Internet to Grandma, isn’t radically worse than high end production equipment these days—for television, at least. That’s amazing!”

## Hollywood Story-telling Technology An Interview with Nick DeMartino, AFI Enhanced Television

By Howard Greenfield

The American Film Institute (AFI) has always held creative story-telling and the technology behind the moving image with equal regard. The art and science of video and movie making are venerated, studied, and furthered atop their campus nestled in the Hollywood hills near Griffith park, in a woody setting you don’t want to leave when you visit. It is frequented by the finest professionals in the business, whether it’s Spielberg or Eastwood picking up an AFI Award for Motion Pictures, or major television broadcast and production companies collaborating with their technical colleagues from Silicon Valley, and elsewhere, in the Enhanced TV workshop. Nick DeMartino, AFI Associate Director, Strategic Planning & Director, New Media Ventures is one of AFI’s visionaries facilitating some of the industry’s richest explorations and collaborative R&D in television programming anywhere in the world. He presents his viewpoint on the alignment of program production, the visual arts, digital communications, and Internet connectivity at this Autumn’s IBC (International Broadcaster’s Conference) in Amsterdam. I spoke with him prior to the big European broadcast convention, and he explained AFI’s work in new media, industry participation, and his personal interests in the evolution of a new genre.



**Nick DeMartino,**  
AFI Associate  
Director, Strategic  
Planning & Director,  
New Media Ventures

**ATV: What is the advantage, the “purpose” of interactive, or enhanced television (ETV) applications?**

**DeMartino:** I think it’s important to note that the relationship in traditional television (worldwide) between the program suppliers and distributors is undergoing a radical change. That’s why in the US you’ve regulatory modifications that have led to a concentration in ownership and a greater percentage ownership in programs *per se* by the networks themselves. So, not surprisingly CBS has had great success with creating an interactive version of one of it’s top shows, C.S.I., which they own. The investment of money, personnel, and expertise needs to result in a pay-off for each one of the professional groups in the food chain--and to the audience it has to be an application that answers the question that we always begin with which is: “Why bother?”. The answer with BBC’s Wimbledon application was pretty clear. There’s four or five matches going on and BBC is giving me the choice of which one I want to watch and the ability, on the fly, to change my mind—to watch any one of them at the same time that I want to. So it’s a picture-within-picture decision, a limited interactive

application. But, it's driven by audience need. We're looking at some applications now that play to the programmer's perception of what their audience needs are and that's exciting. I think that's the progress we see in the U.S.--and programming networks themselves are beginning to understand this--is an *extension* of their relationship with their audience. Now with more modest strategies to get some applications out there that don't require big investments on the part of the cable companies, we may begin to see some more traction. We would like to help people understand why audiences respond to this kind of material and why you can build consumer loyalty if you're smart. And we'd like cable operators to understand that they can reduce churn if they have engagement—which is not something that they currently do. They're setting out a smorgasbord and hoping people will help themselves. They are not doing much to help serve the meals. And, I think interactivity helps them set the table, serve the meal, and clean up afterwards. Those are the kind of dialogues that have to happen. And to have a dialogue you have to get people to the table.



AFI Enhanced TV Workshop Application.

#### **ATV: What is unique about AFI's creative approach?**

**DeMartino:** Regarding the AFI model, when you teach people creativity you don't really teach them, what you do is like making a movie: casting is the critical part. You cast the right actors, and have a great script, then you just get out of the way and let them do their thing. And that's what we do, we have a model of learning which is to study with the masters and to learn by doing. The "learn by doing" part is what they do for six months when they make the prototypes. But the "study with the masters" part was a little bit harder because their were no masters. (It was a new medium!). So, we came up with the idea of inviting everyone we could think of that was doing something that pointed the way toward the medium we were talking about. We showed WebTV applications, TV shows that had synchronized websites, CD-ROMs that derived from TV shows, and then, as interactive television began to kick in, we began to show those applications. So, what happened was that what started out as a learning module for all the participants became something that nobody else in the world was doing. Now it's on schedule as the launch of the workshop, but some people think *that's* the workshop! They don't even know it's just the first day of a six month process. And that's a great cultivation element. We invite VIPs from the networks and cable, the press, and various other folks that should know about this stuff and encourage them to immerse themselves in the world of interactivity and invariably they leave saying that they had no idea this much was going on.

#### **ATV: How do you create a team and community environment?**

**DeMartino:** We construct teams from the developer and design community that aid the producer in coming up with the interactive application that they want to develop. And those teams meet, communicate on conference calls, use web white board collaborative conferencing systems, and come up with applications that are unique. So, you have the middleware vendors, many of the content companies, many of the tool vendors, and all the designers and producers that have really created effective applications, showing up in the same room. And the energy is

very different than going to NAB, or Comdex, or even the trade shows that specialize in interactive television, because it's really people devoting their career to the invention of a new media.

**ATV: What are the barriers to enhanced (interactive) television?**

**DeMartino:** Well, I think there are four important groups that have to be aligned in the same direction for this to take off. One, there is the audience (normally blissfully unaware of what it is); second, there are the cable/satellite distributors (basically the pipes and the retailer—which does not do that kind of audience development work, and doesn't see any return on their investment); third is the program networks, and fourth are the program producers. As to which group in the US most wants this to happen, it's the program networks—a group we've been working closely with, producers and networks, PBS, CBS Viacom, AOL/Time-Warner, Discovery and the rest who all have some kind of strategy, but they aren't willing, or able, to make the kind of investment that covers the motivation of the other parties in the food chain [the four groups].

**ATV: Explain your personal passion for this field.**

**DeMartino:** Earlier in my career, I was involved in books, documentaries, narratives, on the one hand, and technology on the other. I was always fascinated in the late 70's, and 80's by the explosion that became cable and satellite, by pay television, and videodiscs (which became DVD's). It became clear to me that there was always the "next big thing": that at every moment of market confusion there was an opportunity for access. That is, an opportunity for different kinds of people to tell different stories. So, underneath the passion that we have built into the programs we have at AFI, is an abiding commitment to the fundamental democratization caused by technology. Meaning that access to tools is a revolutionary concept—and it has been for many years, since the printing press. When I did my first assignment at AFI in 1991, it was eight months before the world premier of QuickTime. At that time, it was 120 by 180 [pixel] movies, and people looked at it and thought: "What the hell is that? It's a postage stamp. It's silly."

**ATV: But times have changed?**

**DeMartino:** Indeed. This year, Gary Winick, an AFI graduate, made a movie called Tadpole for \$200,000 and sold it to Miramax for five million dollars, opening in theaters nationwide, and he's living the dream. It's now a world where we can use the same tools to make a major motion picture that we use for home movies. The chip in the camera that you use to take a picture of your kid and send it over the Internet to Grandma, isn't radically worse than high end production equipment these days—for television, at least. That's amazing! In ten years, in less than a generation, we have what used to cost millions, now costing hundreds. So, when you knock zeros off the entry cost of creativity, you geometrically expand the potential for what the culture can actually say. You also increase the cacophony of voices creating a Tower of Babel effect, but sooner or later talent does win out—you have to have something to say, and you need to be able to say it well. And that's why an AFI is around: to find and cultivate that talent and set the standard for what makes good work. It's very gratifying. It's kind of a service role, I guess you'd say an impresario role, which is kind of the function I've served in a good part of my career ("*Ladies and Gentlemen, On our stage ...*"). [Laughs].

**ATV: Has the economy affected your projects?**

**DeMartino:** In our original game plan, we envisioned completing a set of prototypes on advanced set top boxes. The outcome of the November showcase was very gratifying because we were able to produce these prototypes on existing technologies. But in next few months what we feared was possible happened, and cable operators made it clear they weren't going to invest in, and propagate, the next generation hardware, and that they would concentrate on limited traditional programming offerings to maximize their existing investment. So, the vendors that were seeking to be in this new marketplace (the middle-ware, server, and other tool technology providers to deploy these interactive systems) all had to regroup.

Microsoft TV, Liberate, OpenTV, all of our sponsors, are trying to find customers and each has different customer bases and resources.

**ATV: What cross-section of the industry do you work with?**

**DeMartino:** The panel at IBC is representative of this, consisting of Andy Beers from Microsoft, Mark McKeown of Two-Way TV, Mitchell E. Kertzman, CEO of Liberate Technologies, and Jim Harrison from PlayJam/Open TV.

**ATV: What would be your ideal outcome from AFI's dialog with the European broadcast community?**

**DeMartino:** I would like to be surprised by new work that we haven't had a chance to see from others--by evidence that the community we have cultivated in the US has a European corollary. And to decrease the learning curve for all of us! We're in a global society now, and this medium is no different. We'd like to carry the US banner into other parts of the globe and do so in a way that is respectful of the work they're doing, and receive the courtesy back. If we could see the progress of an application that starts in one country and migrates to another with full interactivity, that would be something. We would begin to see something equivalent to a US hit [movie or video program] making it big in Europe, or vice-versa (something we see in conventional television now). A cross-over hit would be good. But dialog is very important because we're in a developing market which requires a creative community, and for becoming an "interactivist"—that is, to evangelize and give ammunition to producers, programmers, and audiences. Because if we don't nurture early adopters, and engage people and audiences in the new medium, then it will be still-born (as we've seen in so many previous attempts the last twelve years).

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## About the Writer



Howard Greenfield is a freelance writer who has held leadership roles in Fortune 1000 and some of Silicon Valley's top companies including Sun Microsystems, Informix Software, University of California, Apple Computer, Kraft and was VP, Product Marketing at Obvious Technology and Soffface. He is principal of Go Associates, a leading consultancy that develops and implements high-tech product marketing and business development strategies. Howard also currently serves on the board of BlueVoice, a non-profit marine life preservation organization.