



## Joss Whedon's Plan to Monetize Internet Content (Watch Out, Hollywood)

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*TV and movie writer-director Joss Whedon wants to change the way Hollywood does business. While Whedon works inside the studio system on major projects, he also hopes to blaze a trail on the Internet for creating and monetizing independently produced content. In doing so, he is confronting what he terms the "homogenized, globalized, monopolized entertainment system."*

*One of Whedon's recent projects is "Dr. Horrible's Sing-Along Blog," an online musical comedy starring Neil Patrick Harris, Nathan Fillion and Felicia Day, written by Whedon, his brothers Zack and Jed, and Jed's fiancée Maurissa Tancharoen. Conceived during the 100 day Writers Guild of America strike in late 2007 and early 2008, "Dr. Horrible" was, in part, intended as an experiment to explore options for creative content. The subject of revenues for online content was a timely one, since a major point of contention that spurred the strike involved payment to writers for content distributed online.*



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*"Dr. Horrible" was released on the web in three parts last July, and Whedon's plan was to remove the free online versions and sell all three episodes as video downloads through Apple's iTunes Store. A week after the series moved to iTunes, it reappeared online on advertising-based sites such as Hulu, a joint venture of NBC Universal and News Corp. In December, a DVD version became available on Amazon.com. With these various distribution channels (and the lack of a traditional advertising budget), "Dr. Horrible" serves as something of a case study for marketing independently produced content.*

*Joseph Hill ("Joss") Whedon is a third-generation television writer. His grandfather, John Whedon, wrote episodes of such late 1950s and 1960s staples as "Leave It to Beaver," "The Donna Reed Show" and "The Andy Griffith Show." His father, Tom Whedon, wrote installments of "Alice," "Benson" and "The Golden Girls." As Whedon said to Knowledge@Wharton, "I was raised by a tribe of funny people."*

*After graduating from Wesleyan University with a degree in film studies, Whedon moved to Los Angeles and found early work writing for television programs such as "Roseanne" and editing scripts for feature films. His screenplay for Buffy the Vampire Slayer achieved modest success and Whedon received an Academy Award nomination for his screenplay work on Toy Story.*

*Whedon's science fiction series "Firefly," produced for Fox television, debuted in 2002. But he tussled with Fox over aspects of "Firefly": The network insisted on a new pilot episode and aired several episodes out of sequence. The show was cancelled after 11 of its 14 episodes aired, and Whedon and Fox parted ways. Whedon told Knowledge@Wharton that he was "heartbroken" by the show's demise. Driven by his desire to keep the characters alive -- and brisk DVD sales of the original series -- Whedon wrote and directed Serenity for Universal Studios, a feature film based on the "Firefly" characters and storyline.*

*Despite the contentious issues with Fox over the network's handling of "Firefly," Whedon's next television series, "Dollhouse," a science-fiction thriller starring Eliza Dushku, debuts on Fox television on February 13.*

*Knowledge@Wharton recently spoke with the 45-year-old Whedon about the lessons learned from "Dr. Horrible" and what he believes needs to happen for the Internet to serve as a platform that can sustain original creative content. An edited version of that conversation follows.*

**Knowledge@Wharton: To what extent was the original impetus behind "Dr. Horrible" to serve as an experiment for how web-based content can generate revenue?**

**Whedon: It was equal parts that and the love of the silly. The concept originated as an audio podcast that I would do myself because I was hungry to write some songs and I liked the idea of the character.**

And then the Writer's Guild went on strike. I tried to make some deals with Silicon Valley companies and song studios to create jobs and put out product. But it took so long trying to make a deal with these companies up north, that I missed my window. So I said, "I'll just do it myself -- if that's okay with my wife." And because I could not afford to do a huge, lavish production we did it with a ton of favors.

We were, at the time, very much in the spirit of the strike. By the time we finished writing ["Dr. Horrible"] and had everyone lined up, the strike was over and we all had shows to scramble to do. But we found a window to shoot it. It became us goofing around and just having a great time making a piece of art that we all enjoyed.

Once we finished ... it was equal parts ethos and capricious glee. We said we were going to roll it out for free and then put it on iTunes. We just steamrolled past everybody's idea of how you market and of how long it takes to do these things. We had people [drawing up] contracts in days that usually take months, because we were tired of people sitting around.

Ultimately, though, we were still in the mind of: This is a bit of a lark. The strike was over and so we wanted to do right by everybody, but we weren't thinking it would be a grand statement. We thought it was going to be cool.

**Knowledge@Wharton: Several numbers have been quoted regarding the overall cost of "Dr. Horrible" -- "low six-figures"; "around \$200,000" -- can you set the record straight?**

**Whedon: We got so much of this done through people doing us favors -- department heads and people who have access to things. But you've got to pay your day-to-day crew. The actors all did it for nothing. And we all did it for nothing. So, the production costs alone -- the basic costs of filming the thing, and getting the locations, props and everything -- ran a little over \$200,000.**

We had a secondary budget drawn up in case of a profit, wherein we were trying to find rates for Internet materials. In some cases they didn't exist. We used models that had been created by the guild for repurposed, or reused, material that we used for original [content], because this had never come up before.

We didn't want to leave a sour taste and say, "Well, we made some money off of you guys being kind." It was like: No, everybody has to benefit from what they've done, obviously not enormously -- it's Internet money we're talking about -- but as soon as we got in the black, we paid everybody off.

So that budget was probably about twice what the original budget was.

**Knowledge@Wharton: You've now earned more than twice the original cost?**

**Whedon: Yes.**

**Knowledge@Wharton: Which members of the production shared in the profits on the backend?**

**Whedon: The crew that got paid, got paid. [Those] who didn't get paid [included people like] department heads who had jobs and could afford to do this as a lark.**

As we go forward into profit, there are also residual schedules and payment schedules for all of the creative people. We're trying to figure out how that works.

From the start I also laid down a gross participation scheme for my three key actors and the other three writers. While the guild was negotiating for one-tenth of a yen, I said, "How about we just get into some percentages." It was an opportunity to say to the guilds, "Guess how much better we can do" -- which, in the case of the Internet, is the only way for the guilds to survive.

We can't accept anything remotely like [our current situation] with the studios.

When the studios talk about the difficulty of monetizing the Internet, they're not lying. There are a lot of paradigms wherein you aren't making that much money. But it's all pure money for them because they have these libraries they can just put on. They're really not interested in putting on original stuff because they can just throw the libraries on and make free money off of that. None of us is in that position.

For [the studios] not to offer the creative community a percentage of what they make -- they say, "oh, it's too difficult" and "we're not going to make any money" -- is disingenuous to the point of criminality. What they're making is pure profit. For them to shut out the people who actually created the content is something that should be looked into by a federal investigatory committee.

**Knowledge@Wharton: It sounds like you want what you've done with "Dr. Horrible" to serve as a model for similar original content.**

**Whedon: I do.**

**Knowledge@Wharton: What do you think the likelihood of that is?**

**Whedon: That largely depends on a number of people -- one of whom, sadly, is me. This could just stand out as Camelot and disappear. Or it can be a model that is built on. And I'm one of the people who needs to be building on it. That's something I'm looking into right now.**

I'm not a business man. I'm also not a techie. My ideas on how to monetize the Internet for independent productions are ideas that other people have already had. But I am in a position to try to take advantage of them in such a way that we get a toehold in this medium and [establish] a system of creating some original content before the giant companies sweep in and fence it all off.

The movies, TV -- everything is melding, everything is shifting. If you saw it on a movie screen, it's going to be on your phone. That territory is moving ... now in a destructive way because we're losing residuals. But eventually it's just going to be an inevitability that ... the studios are going to have to rethink how they monetize [content]. Obviously TiVo makes their relationship with advertisers different. And that's going to become more and more the case. A lot of it can't be predicted -- at least, not by me.

But if somebody isn't out there creating a system wherein independent production can thrive, it will wither.

We are now in such a homogenized, globalized, monopolized entertainment system where studios are swallowing all independent producers and productions. And they're swallowing each other. Eventually there will just be Gap films and McDonald's films. And that will be it.

The worst thing that's happened in this community is the death of the independent television producer. We have to make sure that that doesn't happen on what is, right now, a public forum, and not a privately owned forum.

Especially with the economic disaster that the last bunch of presidents has left us with, independent film production is shutting down. The film and television industry is finding itself in the position the music industry found itself in [a few years ago]. The difference is they have a chance not to do what the music industry did, which was to ossify and to basically lock themselves in their fortress until they ran out of food.

They have an opportunity to try to stop the revolution by making evolutionary deals. They're not inclined to do that right now. So the trick is to create a venue that becomes attractive to them and [where] there is still an independent voice that can partner with them.

Ultimately, they have the power. They have the advertising dollars, they have the distribution systems and they're a force to be reckoned with. I would like to [sit] at the table as an equal, and not as one of the goddamn serfs who is giving them all my goddamn grain.

**Knowledge@Wharton: You've made "Dr. Horrible" available through a number of different distribution channels. It was free for a short period. Then it was available for purchase as a video**

**download through iTunes. The soundtrack can also be purchased online. It's now available once again for free, streamed over the web with advertising. And now there's a DVD. Can you give us an idea of how successful each of those has been?**

**Whedon: iTunes has been a great boon for us. And the DVD has done quite well -- although I'd love to bump that up more. Streamed [online video] with advertising is probably the smallest revenue. Whether that's a viable monetization scheme ... is the question. In some ways it acts as an advertisement and in some ways it might be pulling people away from bothering to download it or to buy the DVD.**

In the case of the DVD, we went so ballistic with extra content that it took twice as long to make as the movie [laughs]. It wasn't just a question of: Here's another potential revenue stream. It was a question of: Here's something new, so that you don't feel like this is something you already have. We were trying to protect the monetization stream there and give people a new experience.

**Knowledge@Wharton: You're a third generation television writer. Was it easy to land your first writing job in Hollywood?**

**Whedon: Well, it was definitely easier for me in the sense that someone would read my script. My father's agency said, "Look, we don't do any favors. We're not interested in this guy. But because he's your son, we will read the script." And that's a door that doesn't open for a lot of people.**

Plus, I'd seen television scripts my whole life. I was raised by a tribe of funny people. Those things help. I understood the rhythms of the thing. Those advantages I never take for granted. But, ultimately, I still had to do the thing. And they read the script and I got an agent, and *several* spec scripts later -- a job.

So, it always comes down to: Can you do it? Can you write it? I've made my way for a long time. But was I halfway down the track when the starting gun went off? I was.

**Knowledge@Wharton: You've created content for television, for feature films, for the web. Do you view these as fundamentally different media or as merely different distribution channels for similar content?**

**Whedon: I see them as different media. They are connected and connecting in ways that I find both fascinating and appalling in the sense that everybody's trying to make every story work on every platform. Sometimes you're like, "Can you just make a frickin' movie! Can it not be a franchise and a comic book and a bobblehead? Can the characters just matter?"**

Part of it is absolutely respecting that the media are different. That doesn't mean that you can only make things on the Internet that are two minutes long, like a lot of people believed. But it does mean that a movie and a television show and a limited Internet series are going to be positioned differently, responded to differently and experienced differently. Ultimately, it's always going to boil down to: Did I [care]? Was I having a good time?

But the integration of the things can be exciting, if it's approached the way everything needs to be approached -- which is artistically.

The problem now is the form that the integration takes. When I'm shooting my TV show I have to shoot it for 4 by 3 television ratio *and* widescreen -- which means I can never compose a true frame. I'm always splitting the difference between frames. And that is destructive. So you do have to make a choice at some point.

Like when we did our commentary musical [on the "Dr. Horrible" DVD]. It's ridiculous. It's sophomoric, it's silly, it's off-topic. But, ultimately, we were striving to make a commentary musical, not just to pile on content for the sake of clocking more hours on the extras DVD. We wanted to use the idea of a commentary musical to at least have fun with the concept. Even if we didn't really break huge ground there, we were professionally silly.

**Knowledge@Wharton: What do you think the media landscape will look like in another five or ten years?**

**Whedon: [Sarcastically:] I am exactly the kind of visionary who is so brilliant that he doesn't want to share that with other people. Meaning: I have no idea.**

I still call my iPod "my Walkman." OK? I am old. I have gray in my beard -- which, by the way, is terribly sexy. I've never been a maverick.

If you look at "Dr. Horrible," it's a very old-fashioned story. And it's a very old-fashioned presentation. What I was going for was, basically, a television event. It's going to be on at this time, and this is going to be your opportunity to see it, because it's not going to be on after that. Tune in this night, this night and this night when it premieres.

Obviously, it was slightly different than that. But that's the ethos I was going for. I'm a very old-fashioned story teller. I am not, in any way, a visionary. I just try and make whatever I do good enough that people let me do it again. That's pretty much my scheme.

So, five years from now, we will all have antennae. I got nothing.

The challenge for me now is to create some kind of formula for creation and monetization on a medium that may be completely different.

Right now, DVD is a great revenue source for an Internet-based venture. Most people are saying that in five years, DVD will be over. Sales are already way, way down from what they used to be. I don't understand how I'm going to ride that change. I'm just trying to make as much fun stuff as I can and stay, if not one step ahead of it, then not caught under the swell.

**Knowledge@Wharton: Can you recall the first piece of popular entertainment -- a TV show, a movie, a comic book -- that really made an impression on you as a child?**

**Whedon: Umm ... all of them?**

Let's go with "Help, Help, The Globolinks," a horror opera that I saw when I was five. It terrified me. They drove a van on stage -- which was awesome. And then the van broke down, the Globolinks came, and the only thing that would keep them away was music. A young girl had a violin and she would play the violin at them and they would go away.

It just terrified me. But, at the same time, I adored it.

**Knowledge@Wharton: Speaking of opera and musical theater, what are the chances that "Dr. Horrible" is going to make it to Broadway as a full-blown Broadway production?**

**Whedon: We talk all the time about all the possible venues for "Dr. Horrible." And then we go back to our day jobs that we're supposed to be doing in the first place.**

Broadway is something that we've talked about. I had a very funny experience talking with a Broadway veteran who basically said, "Oh, yeah, come to Broadway because there you'll have complete control and be treated with respect, and it will all go really easily."

[Sarcastically:] Right. And I was like, "Hmmm, I think I'll go back to the Internet, where you just put it on for free!"

I would love to do it. Broadway is a dream that we all have. But I'm not terribly interested in repurposing things I've already done. Obviously, I made a TV show out of one of my movies and a movie out of one of my TV shows, so it sounds like a crazy thing to say -- except that I didn't tell the same story in either of them. I just took the story I had further.

And that's what I'm concentrating on with "Dr. Horrible." It's not so much like: "How can I squeeze another media out of this story" but: "What happened to him *after*?"

**Knowledge@Wharton: You felt that Fox didn't handle your TV series "Firefly" particularly well. I've heard that you swore to never go back to Fox, and yet you're working with them on "Dollhouse."**

**Whedon: That is not, in fact, the case. I never swore not to go back to Fox. I left my deal at Fox because I couldn't think of any TV shows, and I didn't want to be paid to not do anything. Looking back -- I can't imagine why I didn't want that [laughs]. It sounds so cool.**

I was heartbroken, but I never swore not to work at Fox. The production people had not done anything bad. They let me make the show the way I wanted to. And the network -- well, they're constantly changing, aren't they?

If it had been the same people running Fox now as it was then, I would not have come back. But you don't swear, because the ground is shifting under you constantly. It was doing that even before the new media made everyone cranky.

**Knowledge@Wharton: What advice would you give to someone starting out that wants to make an independent film or web content? How can they get their work seen? How can they generate enough revenue to do another one?**

**Whedon: The fact of the matter is, if somebody has a story to tell there is no reason at all that they should not be telling it. The quality of the material that exists -- I'm talking about the physical [equipment] like the cameras -- [allows you to do] things that could not be done when I was a kid for almost nothing.**

People aren't going to the Internet to look for IMAX [large screen movies]. They're going to look for things that shock and delight and surprise and upset and all that good stuff. They're going for the most basic story.

A lot of people sit around and go, "How can I get this made?" The only answer is: By making it. By borrowing someone's camera. By buying a camera. They come cheap and they work well. And if you know where to point them -- and the person that you point them at is saying something interesting -- that's it! That's how it works.

I can't stress enough that I believe the best thing in the world is for everybody who feels like they have a story to tell, to tell it.

If they want to sell it, if they want to make a lot of money, they can do that -- and they can kiss their story goodbye. Because, in general, that's the last they're ever going to see of it, because somebody else will own it and they will either not make it, or make it very differently than that person hoped.

So, if you really have a story you think you're ready to tell, what are you doing talking to me?

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