



Next in Marketing | AppsFlyer

Episode 16: Crypt TV Wants to Build Marvel For Horror Fans By Scaring People on Their Mobile Phones

Mike Shields (18s):

Hey Guys. This is Mike Shields. And this week on Next in Marketing, I spoke to Jack Davis, Co-Founder of the horror content start up, Crypt TV, just in time for Halloween. We talked about how Crypt got the attention of producer, Jason Blum, of Blumhouse, the folks behind "Get Out", by making six seconds scary videos for Vine, back in the day. We also talked about how his company has built an audience for original scripted content at both YouTube and Facebook and how Crypt is able to balance its revenue model between advertising and selling shows to streaming platforms, like Netflix. Let's get started.

Mike Shields (50s):

Hi everybody. Welcome to the Next in Marketing. I've got a really special guest this week. It's sort of a special Halloween episode. Jack Davis, who is the founder of Crypt TV. Hey Jack.

Jack Davis (56s): How's it going, Mike?

Mike Shields (57s):

Good to see you. We have not talked in a while. This used to be an annual tradition, we talk around this time of year, but I'm excited to reconnect.



Jack Davis (1m 4s):

It was an annual tradition and its back. That's all that matters.

Mike Shields (1m 10s): Perfectly timed for the season.

Jack Davis (1m 12s): We are starting a new streak.

Mike Shields (1m 13s):

Yeah. I feel like I see you though on, on Twitter with a lot of your [inaudible] anxiety, your hairline anxieties. So, I feel like we are connected, but I'm glad that we're here today.

Jack Davis (1m 21s):

You know, I don't want to speak too confidently, but I don't think I'll ever get canceled on Twitter, because the only thing that I do on Twitter is self, is self deprecate. So, you know...

Mike Shields (1m 33s):

You hurt only yourself. That's true.

Jack Davis (1m 34s):

I'm telling everyone what my flaws are. I'm not trying to conceal them. I'm being very open about them.

Mike Shields (1m 39s): No, you are helping people, if anything, I feel like.



Jack Davis (1m 41s): Yeah.

Mike Shields (1m 42s):

But anyway, I have known you for a while or I don't know if everybody knows Crypt TV, but give me your origin story, how you got into this business. And then maybe let's talk about the company.

Jack Davis (1m 54s):

Crypt is like Marvel for monsters. Marvel started building iconic superheroes in the comic book because that's where young people were digesting their content. And of course, Marvel has turned into the most culturally relevant brand in America, perhaps on TV shows and movies and theme parks, and t-shirts. That's what Crypt wants to do, but we do it with monsters. And we start building our monsters on YouTube, because there's obviously a huge young audience there, really digesting and falling in love with IP and Instagram and Facebook. And yes, we've done some Tik Toks. So, we create monster IP to try and be the leader of scary for Gen Z. And then we've turned our monster IP into TV shows and t-shirts, and in non-COVID times, at live events and theme parks.

Jack Davis (2m 39s):

So, long way to go to be Marvel, but that's sort of the vision. And the reason we started on the internet, versus the comic book is because of the ability to reach young people, who hopefully fall in love with these characters forever in the millions.

Mike Shields (2m 53s):

The Marvel framing is really helpful for people to understand your company. But like, let's go back to when you, when do you, when do you have this idea, what are you doing? How does it become something?



Jack Davis (3m 3s):

So, I started Crypt like...

Mike Shields (3m 5s):

I feel like 11 or something.

Jack Davis (3m 6s):

Yeah, well, I had hair when I started it, so, I can probably get away with different age, age ranges. But I started Crypt less than a year after I graduated college. And the real inspiration was, I'm from Los Angeles. I moved elsewhere for college. Came back to L.A. and I had seen that the industry, in my opinion, hadn't really recognized the gravity of the trend towards a younger consumer consuming content on their phone. To consuming YouTube or Instagram as endemic entertainment vs just a marketing channel. So, I was like, wow, this is really a way young people are consuming content and no one's doing it for scary.

Jack Davis (3m 47s):

And scary, having just grown up in the entertainment business, is a huge genre. And you know, it's kind of become very fancy lately. I'm very grateful for the Jordan Peele's and Jason Blum's of the world, who have helped bring scary to prominence in a critical sense, but it's always been there in an audience sense, in a box office sense. That was, that has always been true, even when it's been less fancy. So, I was like, there's a real lane to kind of own this young consumer for this genre via these platforms. And I think I just saw that lane because entertainment can be very, a bubble. And it's funny living here now, that you have to kind of remind yourself not to get too lost in the bubble. But I spent four years in North Carolina, going to college, where you really saw that the big changes in consumer behavior weren't being talked about in Los Angeles.

Mike Shields (4m 33s):



So, okay. This is when? Around?

Jack Davis (4m 35s):

I was in college, 2010 to 2014. So, fall 2010 to May 2014 and Crypt officially launched April 2015. So, just under a year after I graduated.

Mike Shields (4m 46s):

Surely, Hollywood I'm sure is at that time, grasping that people are using social media for, to communicate and it, and it's usually to see, or they think of it as UGC or creators, I guess, but they're not thinking about it.

Jack Davis (4m 57s):

I think, yes and no. I think yes and no. I think, yes people realize it, but it's normal. I mean, this is ultimate, you know, Clayton Christensen innovator's dilemma, it's normal for people to only prioritize the thing that's making the most amount of money, that also is what got them to where they are today. Right? So, I think that, what gave us white space in the beginning, and obviously we have incredible investors who saw that vision early and some of them are in the entertainment space, like Blumhouse is a fantastic company and an investor in NBC Universal So, they invest in it, they saw it, they deserve credit, but I just think even still people don't necessarily recognize the gravitas of how to, the gravitas of the internet and what it can be used as in a powerful tool.

Jack Davis (5m 43s):

And obviously there's the difference between us building endemic content with an internet fanbase than Netflix. But even in 2014, 2015, when I moved back, the focus on streamers and [inaudible] wasn't as high, I mean, you know, the truth is cable TV and network TV is still a really good business. I think that now everyone acknowledges the paid TV decline, and it's so obvious, but back then, you know, it's, it, it, it, you, you, you can forget how things change in six or seven years and how different the attitude was.



Mike Shields (6m 13s):

Okay. So, you're getting out of college, you're seeing that, that your peers are consuming content differently, they are probably hungry for stuff that is created for them, but no one's doing scary. Are you, are you thinking, well, I can just, I can, you know, I can find some classic horror creator's and make some stuff out there or are there YouTubers who are making scary stuff on their own?

Jack Davis (6m 33s):

Yeah, we started by just like making like very short stuff, you know. Start simple, walk before you can run. The company started by making 15 seconds scares in the, six seconds scares. See, I forget my own origin story now, it's been so long. We started making six seconds scares. We did this Vine contest in October, 2014. This was like the test that launched the company. Talk about a flashback of Vine test. It blew up and we just had people making kind of mainly silly videos, but some scary videos. And that just really proved our thesis that scary could work on mobile. And we did this Halloween contest. That's how I met Jason Blum, who ended up becoming our first investor. But once we actually formalized a company and launched for real in April, 2015, we were making like 32nd one minute videos.

Jack Davis (7m 20s):

Right? And so, these are all setup, pay off, jump ski are really simple. So, we really spent two years just trying to make, you know, one minute videos and then two minute videos and three minute videos before we started building the IP. It wasn't really, until we raised, we raised, we call it a C2 or \$3.5 million in financing and brought in Lerer Hippeau, and advanced at NBC Universal. It wasn't until then that we started making IP and making higher quality content. Those first two years is kind of, I think the truth is for a lot of internet creators, you have so little money or you're trying to just do the bare bones thing and figure it out on the most simple level what works.

Mike Shields (7m 57s):

Yeah, yeah. I imagine that you can't make a whole like universe of characters with just six second videos and stuff like that. That would be incredible...



Jack Davis (8m 3s):

Only one or two characters were created from the first two years, because at the time the goal was to create characters. It was like, just, can we make something good enough that people will watch it and click on it and build an audience? And you know, we were lucky that the white space of a digital brand that does scary was so open, because it allowed us to experiment and make mistakes. You know, you do comedy in the internet, even in 2015, 2016, there were so many good sketch artists. There are so many good comedy folks, that if you're not good, like you're just, you know, there's a lot of better options out there. We really were able to use the fact that we are, we're the only person focused on this lane to take the time, to be able to work your mistakes, make creative mistakes.

Jack Davis (8m 45s):

And like we still make creative mistakes. Creating is very hard, but it, you know, the first two years, you know, you're asking are, were mainly experimentation more than anything.

Mike Shields (8m 53s):

And were you at the time, were you, did you have a job? Were you, like, were you kind of like kind of screwing around?

Jack Davis (8m 58s):

No, [inaudible] So, October of 2014, when we were testing it, I don't have a job. I'm living with my parents. April, 2015, when the company officially launches, Blumhouse made a seed investment. So, we had, you know, a little seed investment. It was my job. We were able to hire two employees and make some videos and grow. But you know, it was my job, but it, you know, we were in an office three people, the size of a closet. And you're really begging and borrowing and dealing and you're asking for favors for people to make stuff, you know, you know, there's no capital expenditures lying on the company's budget. So, it was a job. We did have a little seed funding, but there was a scrappiness to it that you get nostalgic for, but probably don't want to do again.



Mike Shields (9m 39s):

So, and Jason Blum finds you through the vine thing? How did that happen?

Jack Davis (9m 43s):

He found us through the Vine thing. Six second scare. You know, my co-founder in this company is Eli Roth, who is a genre director, writer, producer, actor, whole thing. So, he was really helpful. I mean, he's the co-founder, he is obviously really helpful. But he was really helpful in the six seconds of scare. And he was having dinner with Blum in Charleston, South Carolina, as I understand it. I wasn't there, but I, I believe they were in Charleston and Eli said, "Hey, Jason, look at this thing I'm doing." And you know, Jason is a complete visionary, as we have seen in his, his film and TV business. And he saw it and said, well, let me meet with them. And then as the six, second scare contests was concluding around Halloween 2014, I met with him and we hit it off. And then they invested in the company just a few months later.

Mike Shields (10m 25s):

And then people, I think people are, lots of people know Eli Roth, but he's the guy who has directed stuff like Hostel. And he was in "Inglorious Bastards".

Jack Davis (10m 31s):

He was in "Death Wish" and "Inglorious Bastards", you know, he's recently kind of done some really great stuff outside of the genre or more kids' genre of scary. He did "The House with a Clock in Its Wall".

Mike Shields (10m 41s): Yes. My kids love that movie.

Jack Davis (10m 43s):



Yeah. So, that, that's, that's like, you know, so, he, he is, but you know, he's obviously got a huge genre fan base and was a really great instincts in helping start the company..

Mike Shields (10m 52s):

All right. So, you start doing, you do the six second scares. You get some investment. You're starting to, all right. We're going to try and make a business out of this. Are you primarily on YouTube at that time? Are you going to...?

Jack Davis (11m 1s):

No, at the time, it was basically all Facebook cause it was white space, you know, April 2015, Facebook is trying to build an audience around video.

Mike Shields (11m 8s):

Yeah, you forget that. It didn't really have a big video business at one point.

Jack Davis (11m 12s):

I know. It's crazy to think about. That's why when I think about business Mike, I think about it just tries to give you hope as you build your company, you overestimate what you can do in a year, famous quote, but you underestimate what's going to happen in five years or 10 years. Right? You know, now, Facebook video is obviously huge and there's been many word spilled on Facebook video, but in April 2015, it was like, hey, we are doing video for the first time. Like, what? And the reason we were lucky that the company was launching around the time Facebook was prioritizing video whatsoever, because you know, when you're a small company, you just don't, we didn't have the resources that I felt like to compete on YouTube. I'm like, let me go over here, where no one else is, because then I had a chance and it, it worked out really well.

Jack Davis (11m 53s):



And we built a real audience on Facebook. And you know, I know some people throw shade on, on Facebook audiences, which I understand, but for us, we've seen a real audience, but I think the proof is in that, we have converted that audience to YouTube or to t-shirts or to other things that have a big YouTube audience as well. And now, you know, your cross platform, but in those early days, it was really a, basically a complete focus on Facebook. And Facebook has really incredible interest targeting tools and, you know, being able to kind of call the people who liked this genre, who weren't getting original content in that genre through other digital means, was really useful.

Mike Shields (12m 31s):

And so, correct me if I'm wrong, at that time, Facebook video was primarily, you had to grab people in the newsfeed and get them to stop, it wasn't like they had Facebook. I don't think they have to watch...

Jack Davis (12m 41s): No watch wasn't...

Mike Shields (12m 43s):

So, you are, you were making stuff that was...

Jack Davis (12m 45s): For the feed. Yeah.

Mike Shields (12m 46s):

So, does that, at that point, are you able to try and make characters and IP? Are you still trying to just do, scare grabbing thing?

Jack Davis (12m 53s):



Well, for the first two years, it was just grabbing people's attention and we still have a big Facebook audience. We obviously have a slate of shows with them and they still do really well. We love Facebook and love them as a partner. I do think that even when we started making characters and monsters and which is kind of 2017, 2018, that visceral image and the feed matters. But that's not just the Facebook thing, right? I mean, YouTube thumbnails, Instagram thumbnails, by the way, I always try to study the success of "The Masked Singer", right? This idea that a crazy insane visual image is something that only applies to the internet is not true. Right? You need to grab people's attention. We spend a lot of time thinking about the feed and thinking about algorithms because they've come to dominate our lives to some extent, but again, you only need to look to one of the most successful non-scripted broadcast shows, its kind of defied the odds and "Masked Singer", to know like a big, crazy contraption of, you know, thing, visual really hooks people.

Mike Shields (13m 51s):

Right. Okay. So, you're, you're starting to resonate. You start to figure out that audience, but then when did you start saying, okay, you know, maybe we should start, by building a universe of characters, I'm not not saying they are all connected, but maybe they are.

Jack Davis (14m 1s):

It wasn't until April 2017. We had just finished raising this little three and a half million dollar round from Lerer Hippeau advance at NBCU. We have to shout out, 'cause they're great partners. And, you know, we kind of just was at, you know, you raised a little bit of money. You feel like, oh my gosh, we actually have something in the bank now. We don't have to just be flying by the seat of our pants. What's really working? And how do we also take what's working and build it into an actual business case, right? Because you know, those first two years, it was really just, no one is doing scary for this age range for this type of consumer. And there was not really a business case and it was...

Mike Shields (14m 35s):

Proving the content. Proving the viewership.



Jack Davis (14m 36s):

Yeah, we prove the... Okay, well now we got to build a business case. So, we got to build a short-term actual P&L value, and you're trying to build long term enterprise value. And then we really saw that, hey, all of this stuff that's doing the best is monsters. Its this big visceral image is working in a feed. You can actually imbue story with it. You can actually imbue mythology. And we had created one monster before this time, The Birch, which ended up being our biggest hit. That's now on its second season on Facebook watch. And we haven't released the second season yet, but we are filming the second season. And we're like, wow, look at how

well this thing did. But maybe it just wasn't. I mean, the piece was beautiful. The original Birch shot, which was viewed over a hundred million times, won a Webby, kind of all this critical acclaim.

Jack Davis (15m 17s):

Maybe it's not just that it's a beautiful piece, which it was, its, there's a story here. There's an IP. People can hook onto the mythology. People are getting this image tattooed off of a Facebook video. We had many people get Birch tattoos.

Mike Shields (15m 29s):

And what is The Birch? In a nutshell.

Jack Davis (15m 33s):

The Birch is a, the Birch is a maternal monster that protects the innocent. The Birch is all about protecting people who've been picked on and getting vengeance on their behalf, because their perhaps too meek or they have been traumatized and she is a mature, she's a vengeful maternal figure, who also happens to be an eight foot tree monster...

Mike Shields (15m 55s):

Yeah, I knew there was a tree involved in there. Okay.



Jack Davis (15m 58s):

Yeah. The key, Mike, when you're pitching anything I think in creative, especially when you're pitching scary, is you save the niche part of it for the very end. You know, you say, this is a story about a mother who didn't protect her child. So, now she wants to protect other children. Oh, and by the way, it's a Horror monster that, you know, wraps up people in its vines.

Mike Shields (16m 18s):

Right, right. Cause otherwise you might lose the people from the first, from the get go if you are describing it that way.

Jack Davis (16m 22s): Yeah.

Mike Shields (16m 22s):

Okay. So, that's, that's going well. You start getting investment, are you, are you making money at that point or you, are you...?

Jack Davis (16m 29s):

Yeah. We had built an integrated marketing business at that point, I can say we've made more money since then. But we, we were able to build an early advertising business because again, scary is a huge genre at the box office. So, we have incredible partners at Universal and Lion's Gate and Sony and Paramount.

Mike Shields (16m 47s): [Inaudible] fans, that's a natural...



Jack Davis (16m 48s):

And we are the place to reach young people in, in, in an organic way, and really who already have a predilection and affinity for the genre. So, we had already built the business. We are obviously increased our well, we have increased our Marketing business. Since then, COVID has obviously knocked down theatrical releases, but we have made some money since then, but obviously the more the audience grows, the more you are able to reach people and provide value for your marketing partners.

Mike Shields (17m 13s):

Okay. So, that's going well. And what are you, how, how connected are you with, with, with Blumhouse and are those guys trying to, you know, helping you shape your content output? Are they really just, you know, helping you get the company off the ground? Like how connected are you with them or do you want to be?

Jack Davis (17m 30s):

Jason Blum, is really an incredible business innovator. And I know it's not maybe the most unique take for someone to come praise their investors, but the guy really deserves an incredible amount of praise. So, the first thing I have to say is as a young CEO, as a young person, trying to build a business and succeed the media space, having an investor, who's not only done it, but continues to do it and continues to further their business and push the envelope, is super uniquely valuable. We worked out of the Blumhouse office for the first two years of the company. And while part of that motivation was, you know, we didn't have a lot of money, so, we could shack up with them. It really made a huge impression on me.

Jack Davis (18m 12s):

And I would like to think that made an impression on Crypt, to be close, to be in such close proximity, literally exist with a company that, that's doing it at the highest level. That's thinking of creative at the highest level. That's known for trying to make more with less. So, that's the first thing. It's made a huge impact just having a relationship with Jason. And I talk to Jason every week. He gives us help on creative endeavors. We talk about partnerships. We do want to be linked with them. You know, we have to build the Crypt brand. And we have to make sure...



Mike Shields (18m 39s):

Right. That's kind of what I was wondering, like how much do you want to be their brand or not?

Jack Davis (18m 44s):

I would say it's 50-50, Mike. I would say it's 50-50. Because if, how big can the company be, if it's a sub-brand of Blumhouse, I mean, Blumhouse is really big, so, that's good. Blumhouse kills it, but we want to be our own brand. And we want to have our own voice with not just consumers, but in the business to business marketplace, you know, Blum sells that show to Amazon. Welcome to the Blumhouse, because he's got to brand it, because it is Amazon, you know, knows that this guy's brand is going to, he's going to create great stuff and his brand can bring people to Amazon to watch great genre movies and they just, they've been releasing these really good genre movies on Amazon this month. So, we want to work with them because they're the best. You always want to work with the best, but we also have to be cognizant of how we're different and build a unique brand.

Jack Davis (19m 27s):

So, I would say it's, you know, it's give and take, I would say that we're lucky that we have Jason as a partner and then it's also on us to truly distinguish ourselves in this space, but not just distinguish ourselves from Blumhouse, that's where people's minds go, because they're an investor, but to distinguish ourselves from anyone else. Right? You know, it's not only scary content makers that make scary content, you know, I mean, LeBron James option to "Friday the 13th", right? Like how do you build your own brand just for the sake of building your brand?

Mike Shields (19m 53s):

Okay. So, you're in, if you are going to describe, is there, is the Crypt viewer, I'm going to guess younger than the average horror fan, maybe in...



Jack Davis (20m 3s):

Oh, yeah. Our core demo is 13 to 25, and it skews a little more male than female, but it depends on the IP. We have some IPs that obviously skew more female. And when I think about what we're doing in the TV and film space, which is a lot of where the business is going in the short-term, medium term and I guess hopefully long term, cause just long-term, you really hope that your monetizing all your characters across the wheel. But when I think about where the Crypt business is going short-term and medium term, you have to have a brand, even when you're making stuff for Netflix or Amazon or Hulu or HBO Max or Peacock, there are so many great streamers. Facebook Watch, we obviously have a relationship with, you have to have a brand, you know, you have to have a brand.

Jack Davis (20m 44s):

And a lot of times, brand means just excellence, right? When people market Jordan Peele, as an executive producer, he obviously has like a certain type of creative he gravitates towards, but its just like, hey, this is Jordan Peele.

Mike Shields (20m 55s):

It's going to be good. I trust this guy.

Jack Davis (20m 57s):

He makes excellent stuff. So, I give that answer of saying that Crypt's young audience and the fact that we were born on YouTube and Facebook and we were raised by having an interactivity with our, our audience, the way that effects the company, the TV movie space, as well as in everything we do is, we have to speak to the values at 13 to 25 year-olds care about. That is where we can understand that consumer, hopefully better than anyone else can. So, when I'm thinking about what we want our brand to be and what our number one audience means, it means what's top of mind for 13 to 25 year olds? And how can we infuse their passion into the types of scary stories we tell?



Mike Shields (21m 37s):

So, does that mean, do they like something that's, you know, or do they like horror movies, but this is, this is going to be an alternative or a smaller version of that or is it, are you going for something that really resonates differently for that, for that demographic?

Jack Davis (21m 50s):

I'm going with stories that are about questioning authority and not believing in the status quo, and not believing in institutions, not just trusting institutions for their work...

Mike Shields (21m 59s):

Those teen themes are common?

Jack Davis (22m 1s):

I think, you know, when you look at Gen Z and this is also true for Millennials, but I really think it's Gen Z, especially. And then, you know, we are going to have Gen Alpha after them. I think it's, I think it's people demanding change, man. And I think it's, you know, people who are so morally, and emotionally conscious at such a young age, you know, I'm 29. When I was 17, I was like, you know, it was like, yeah, Obama, that's great. That's, that's as far as I thought about politics, right? And then you have 17 year olds now, who are just, who are really thinking so deeply and consciously about so many issues across the spectrum of humanity, and the spectrum of life in America and life abroad that you can't BS this, this, this generation.

Jack Davis (22m 45s):

And you know, the types of ideas that they're injecting into the national conversation are really, really creative. So, if our content doesn't match that, well, then what advantage do we have over everybody else? Other content producers are probably better capitalized than us. They have been around longer. They have better relationships. Our advantage has to be that we truly can speak to



this audience cause we have done it everyday on YouTube, Instagram, Facebook, etc., TikTok, for years. And that we have to apply that into everything we do.

Mike Shields (23m 15s):

Right. Horror has always been really good at reflecting some of those big societal changes and themes. Even if it's kind of in a subtle manner, so that makes a lot of sense. Okay, let's go back to you, you're blowing up on Facebook, you start doing Facebook Watch shows, maybe walk me through the progression of, when did you start doing things for all different platforms? What are you learning?

Jack Davis (23m 38s):

You know, it probably wasn't until, I forget. So, Birch came out on Facebook Watch October, 2019. So, that probably means I'm thinking backwards. It probably means middle of 2018, we knew we were doing it or October 20. I, I forget exactly. And it shows what a great CEO that I am, that it took us actually selling a TV show, to realize that maybe we should be in the TV business. Like I really hadn't thought it through as well as I should. And I say that because its true and also to remind myself that, hey, there might be an opportunity staring you in the face that you're missing in your business or your life.

Mike Shields (24m 19s):

A lot of creators don't want to pretend that they've or that, or they don't want to say, oh I have been trying to get on TV. I wasn't really serious, like you probably want to be true to your...

Jack Davis (24m 29s):

Yeah, well, but, but that's not right for Crypt. That is right for David Dobrik, right? But that's not right for Crypt. And even David Dobrik, I think, I probably would take his, you know, late night show in, in DC when they offer it to him, you know, we are able to reach people without anyone's permission on YouTube, right? We can just make our character, build it, but we completely wanna make shows with Netflix and Broadcast TV and Cable TV and Peacock and Hulu and everyone. Right? So, then we've loved working with Facebook Watch, we love our sleight with



them, we have more shows coming out and I can't announce it yet, but we will be able to announce that we have shows on other streaming platforms coming out soon and deals to announce soon, those aren't only around our IP.

Jack Davis (25m 11s):

We are also [inaudible] a lot of IP, which I'm really, you know, I think it's public that we are rebooting, reinvigorating "Thirteen Ghosts", which is an old Screen Gems IP, with Screen Gems. We have a few other announcements in that vein to come. And that's when I talk about the Gen Z influence, right? Because we can take our young company DNA and apply it, not just to our own monsters, but to rebooting classics or reinvigorating classics in a way that's really relevant to young people. And of course, we want to do that through streamers. So, I think it just depends on the business you're in, but the TV business is a really good business for us because we run our own production. Right? And we run a scripted production. So, being able to bring the IP, be the production company, the fact that we have examples and experience being a production company in this space, we feel like we really can be category experts.

Jack Davis (26m 1s):

So, that's what, hopefully for us, it was providing value to streamers and the value they provide to us as they reach a lot of people. And you get paid to make this shows. So, I'm certainly, we're in the TV business. We want to be in the TV business more and that's what I'm working on every day.

Mike Shields (26m 17s):

When you do TV though, is it simply taking what works on Facebook or Instagram let's say and making it longer and more expensive or is it you, do you take a totally different approach?

Jack Davis (26m 27s):

It's totally different. I mean TV, you know, let's just say that you have, you know, 10 episode season and its, you know, hour episodes and its 10 episodes, its way different building characters, you know, the way you have to build characters over the course of the season and slowly pull that thread and introduce plot twists in the way you chart out a season is completely different,



completely different. What I would say, and what I hope to be the case, is that Crypt can be a really successful TV producer because we can take the best of digital that we've learned, but we still, you know, we'll be making digital stuff and do, but we can take the best of digital that we've learned about how to hook people's attention and how to make really compelling visuals that we can take the best of what we've learned that gives us a very distinct brand in a very distinct division, in a very distinct voice and apply it to the things that you really need with great television storytelling, which is all based on the characters and how you can create really compelling characters over the course of, you know, 600 minutes and then longer and longer and longer.

Mike Shields (27m 32s):

You know, you said something interesting about trying to make really compelling attention, grabbing content on social and mobile platforms. There's been a lot of debate about this. I think you and I are both tweeted about Quibi and, and whether people, you know, they they've been sort of a case study for it, whether, do people want scripted like in grossing short form? Does that make sense? And you know, I wonder if you have thoughts on that because I think, I think the conventional wisdom is no that doesn't make sense, but you're seeing that, you're obviously seeing people...

Jack Davis (27m 58s):

I mean Netflix has scripted compelling, short form. I mean, you look at "Love Death + Robots" on Netflix, or "The End of the F***ing World", or even "I Am Not Okay", that Netflix show and those shows do really well. I mean I, and, and those are really good. I think, you know, the, the issue with Quibi, is it's a combination of barrier to entry, right? They obviously added another barrier to entry, which is a new streaming service.

Mike Shields (28m 22s): Yep. Not easy.

Jack Davis (28m 23s):

That you have to pay for. You have to download. You look at what Peacock has done. Peacock its free to watch Peacocks. And then, you know, they're going to eventually try to move you into that pay tier, but its free to watch Peacock and you have an HBO Max, HBO is a really huge established



brand. So, I think with Quibi, it's just, they tried something really hard. You know, they try something really hard. They tried something, they had to build a new brand from zero brand awareness that you also had to buy, that you could also only watch in one format, right? When I'm watching Peacock or Netflix or HBO Max, I can watch it here on my laptop, it's pretty easy plugged in with my Apple TV and I can also watch it on my phone, download the app.

Jack Davis (29m 4s):

So, they had, they started with only one entry point for a new brand that you had to pay for. So that's, that's a tough entry point. That's tough.

Mike Shields (29m 13s):

But in your mind, that, that doesn't mean that people don't want to watch, you know, engrossing stuff and bites like that in different places.

Jack Davis (29m 19s):

Oh, well, look, when we are making stuff on our Facebook Watch shows that are more traditional TV length, they're 20 minutes, I think it's, I think there's an incredible amount of data that shows people like to watch short-form programming. And if you're Netflix, you know, if you're Netflix you, you don't, you know, they always want new users, but in North America, Netflix got a lot of users in North America, right? So, the motivation for them to create short-form content might not be that, oh, this is going to add 10 million new subs. It might be, this is going to delight the people we already have in the way they are going to discover it. So, again, it all comes down to a question of just where you are in the life cycle of your company, or are you going to be able to attract the users you need to fit the unit economics you have on just short-form?

Jack Davis (30m 1s):

I don't know. That's tough, but if you're Netflix or Hulu or Amazon, like you have a lot of people, you also want to delight the customers you do have. And obviously there's, you know, a huge example of when you look no further than YouTube to see that how much short-form scripted and non-scripted content compels people. Yes, YouTube is free, but Netflix is free in your head if



you are already paying for it. And if you are already paying for Netflix for "Stranger Things", and then if something pops up, it is essentially free to you because you are not canceling your subscription.

Mike Shields (30m 29s):

Right. Why not? Let's get some more. Tell me about, okay, where is your business now in terms of like licensing, advertising, making money from the platforms? What, what, what does it look like?

Jack Davis (30m 41s):

So, well, you know, we all have, an ad business. The ad business has been disrupted a little bit by COVID. We can, we do market titles for Hulu and Netflix, but you know, we had a big bread and butter of marketing every scary movie that comes out. And how many scare movies come out? 52 weekends a year, you get like 26 slots, right? And so, we hope that that's back, but you know, I'm basically giving you the normal time vision. The normal times vision is there's an ad business. And then there's the TV licensing business, which is really good, which pushes the majority of revenue. You know, we have this slight [inaudible] with Facebook Watch that we love, we're about to announce some new shows that we're making. And you know, sometimes we are just a passive producer, where we are producer, but someone else is running production and we are just paid as a non-writing producer.

Jack Davis (31m 23s):

And then we have shows where we are running production, which is great. Cause then you get to run production and your production services, in addition to being a producer and working on the creative and development. And then the merch business is really small and the live events business is really small. And you know, we had some really fun stuff planned this October, if there wasn't COVID, but there was. So, maybe October 2021 we'll look towards kind of getting back into that live event, thought.

Mike Shields (31m 49s):



That is, that is a bummer, for many, many reasons. What, what have you seen speaking of, of the pandemic? Have you seen anything interesting happening with viewership? Anything unexpected, different?

Jack Davis (31m 59s):

Yeah, things would pop off, I mean, I think it's kind of like there was that kind of crazy March, April, where people were seeing really crazy trends in March and April, and now it almost feels like things have normalized to an extent, as we've all kind of normalized our COVID habits. But I think what you seen, what we've seen in Crypt is a microcosm, I think, of what you probably are seeing in the world, which is our best monsters, the YouTube videos that, and I don't know if this is YouTube algorithm type stuff, but this stuff that was doing really well that had a lot of viewers is attracting more, and the stuff that wasn't performing as well is doing even worse. All the energy goes to the winners. And I, I think you are seeing that in, you know, the economy at large right now and not just the entertainment economy, right?

Jack Davis (32m 42s):

Where the big get bigger and it, and it's really hard for stuff that's not already got some establishment to it.

Mike Shields (32m 49s):

Right. And how have you been able to make stuff? Are you, have you been...?

Jack Davis (32m 52s):

We're making stuff. We've, we've wrapped two shows in COVID. We are in the middle of a third right now. So, we're making stuff. It's hard. It's a lot harder. I mean, you got to keep everyone safe, but you also have to keep everyone safe means you have to change the realities of a lot of creative, right? You've got to change the reality of that creative. And there was a really good Wall Street Journal piece that came out last week that I thought summed up a lot of where the production business is, which is certain scenes you're not making as much. There's a lot of costs that comes with COVID test. I think we all are happy to pay that cost, because as producers, we



want to keep everyone safe first and foremost. But if there's new costs on the books, that means, you know, will, how do we adjust?

Jack Davis (33m 33s):

Right? So, it's, it's a moving target and it's a moving target, target because every State has different regulations around COVID, right?

Mike Shields (33m 42s): Yeah.

Jack Davis (33m 43s):

And you know, in California where I live, different counties have different regulations, right? So, you can drive 20 minutes one way. So, it is a constant moving target. And I think the question every producer is asking themselves is how much should we lean into being a COVID production company? Because, hey, is, is this going to be how we have to make content for two more years or is it on March 1st, everything goes back to normal? And no one has that answer. Like none of us know but obviously how you sell yourself as a production company, when you're taking out shows today, which everyone is, right? You think about that.

Mike Shields (34m 20s):

You mentioned, you know, the, the, how the ad business has been changed. Obviously, if I was going with the movie business, can you, are there brands coming to you that you can, that want to have to make content for them? Are there other categories you can go after a year? And I don't, I don't imagine you're big in the programmatic space...

Jack Davis (34m 35s):

No, we are not. I mean, look, scary is tough, Mike. Scary, you know, like you had, there's a really good business there with, hey, we are Universal. We are Sony. We are Paramount. We are releasing this scary movie. You have it, right?



Mike Shields (34m 50s):

Trying to squeeze a lot of salad dressing into a lot of these plots.

Jack Davis (34m 53s):

So, I think that it was, you know, the suddenness of COVID is probably what impacts for at least us. I can't speak for other people, right? Before COVID, there's not a huge motivation to go, like try and sell someone who might have angst about the genre versus making sure you're really delivering for the many times to repeat customers. I mean, we've done double digit movies for, double digit marketing, a number of marketing campaigns for so many of these studios. And these are your clients and these are your partners. And you built a real rapport with people who work there are and understanding what they want and how you can deliver it. So, I would say, I would say, you know, maybe there's new business searching we can do, but right now we're having a fun time making television shows in COVID, and that takes a certain amount of energy.

Mike Shields (35m 39s):

All right. Lets, lets wrap here on, are you guys doing anything special for the Halloween time, right?

Jack Davis (35m 44s):

Yes. We are going to do a digital Halloween. So, we have a lot of great guests, great YouTubers, great traditional stars in the genre world. So, we'll do a digital Halloween on Crypt YouTube channel to try and excite our audience. And I think being in the entertainment business, to answer your question in a broad sense too, you want to try to bring joy and excitement to people, right? Like, you know, I think being in entertainment, you can sometimes forget that your job is to really excite people. Cause it becomes a job. It becomes something that you got to do it every day.

Mike Shields (36m 12s):



Yeah, we are doing that, right now.

Jack Davis (36m 13s):

If it becomes, you know, something you got to do everyday and you got to wake up and you've got to do your emails, you got to do your calls and you get yelled at, we're all, have this happen in our jobs, no matter what our job is. And then you try to, for us around doing a big, fun, digital Halloween on our YouTube channel, it's like, you know, this stinks, people love Halloween and they're not going to get to experience it in the same way that they're used to. So, how can we bring some joy to people and maybe have some fun and do some type of event? You know, that, that that's that's, that's kind of partly what motivates you in times like this, is getting to remind yourself that the job of making entertainment is to bring people entertainment. So, we are going to do that on digital Halloween on Crypt's YouTube. But I would say speaking on behalf of a lot of people in the entertainment industry, you make stuff for the people and now more than ever, you want to excite people emotionally with creative.

Mike Shields (37m 4s):

Yeah. God knows people need it. Are, are you dressing up?

Jack Davis (37m 7s):

I'm dressing up as a stressed, not even balding any more, just bald, a stressed, bald, entrepreneur, who's very ready to see 2021.

Mike Shields (37m 17s):

That's it. I'm dressed as a dad who stopped trying a while ago.

Jack Davis (37m 19s):

A dad who stopped trying a while ago? Well...



Mike Shields (37m 22s): It's working for me.

Jack Davis (37m 23s):

You and me. And we'll be true to our costumes at the very least.

Mike Shields (37m 26s):

All right. Well, awesome conversation, Jack. Thanks so much for your time here.

Jack Davis (37m 29s):

Thank you so much, Mike. Its always a pleasure to chat buddy.

Mike Shields (37m 33s):

A big thanks to my guest this week, Jack Davis, co-founder of Crypt TV and of course my partners at AppsFlyer. If you like this episode, please take a moment to rate and leave a review. We have lots of words to bring you. So, be sure to hit that subscribe button and we'll see you next time for more in what's Next in Marketing. Thanks for listening.